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COPY

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

Regular Meeting--Wednesday, December 19, 1990

at 10:00 A. M.

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

OFFICIAL RECORD.

RICHARD M. DALEY
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance At Meeting.

Present -- The Honorable Richard M. Daley, Mayor, and Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone.

Absent -- None.

Call To Order.

On Wednesday, December 19, 1990 at 10:00 A.M. The Honorable Richard M. Daley, Mayor, called the City Council to order. The Honorable Walter S. Kozubowski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Troutman, J. Evans, Garcia, E. Smith, Bialczak, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, M. Smith, Stone -- 33.

Quorum present.

Invocation.

Reverend R. C. Odom, Pastor of Baptist Church Without a Spot or Wrinkle, opened the meeting with prayer.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Rules Suspended -- MEDAL OF VALOR PRESENTED TO MR. WILLIAM KACZON AND MR. KALVYN AVERY FOR THEIR HEROIC EFFORTS TO SAVE LIFE OF DROWNING VICTIM.

The Honorable Richard M. Daley, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 19, 1990.

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

LADIES AND GENTLEMEN -- I transmit herewith a resolution honoring Mr. William Kaczon and Mr. Kalvyn Avery for their valiant attempt to save the life of a person who had leaped off the Monroe Street Bridge into the Chicago River.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of and action upon the said proposed resolution. The motion *Prevailed.*

The following is said proposed resolution:

WHEREAS, Mr. Bill Kaczon, of Hoffman Estates, and Mr. Kalvyn Avery, of Chicago, jumped from the Monroe Street bridge into the icy Chicago River in an heroic attempt to save a man from drowning on Friday, December 7, 1990; and

WHEREAS, Mr. Kaczon was crossing the Monroe Street bridge when he noticed a crowd of people had gathered to watch a man floating face down in the river; and

WHEREAS, Mr. Kaczon, amazed that onlookers were simply standing by and possibly watching a man die, removed his overcoat and suit jacket and jumped in; and

WHEREAS, Mr. Avery, who had also witnessed the incident, ran into a nearby building to call 911; and

WHEREAS, He ran back to the bridge and jumped into the river to help Mr. Kaczon hold the drowning victim; and

WHEREAS, A foreman on the bridge repair crew, threw the rescuers a life preserver, and they kept the man's head above water until the fireboat arrived; and

WHEREAS, Mr. Kaczon and Mr. Avery should be commended for their heroic efforts; now, therefore,

Be It Resolved, That we, the Mayor, and members of the City Council, assembled this nineteenth day of December, 1990, commend Mr. Kaczon and Mr. Avery for the concern and courage they displayed and present each of them with the Medal of Valor; and

Be It Further Resolved, That we salute them for caring enough to get involved, without regard for their own safety; and

Be It Further Resolved, That suitable copies of this resolution be presented to Mr. Kaczon and Mr. Avery as a token of our admiration.

On motion of Alderman Burke, the foregoing proposed resolution was *Adopted* by a viva voce vote.

At this point in the proceedings, The Honorable Richard M. Daley, Mayor, called the City Council's attention to the presence of Mr. William Kaczon and Mr. Kalvyn Avery, who were warmly applauded by all present.

Rules Suspended -- APPOINTMENTS OF MS. GINGER RUGAI AS ALDERMAN OF NINETEENTH WARD, MR. SAM BURRELL AS ALDERMAN OF TWENTY-NINTH WARD AND MR. ROBERT CLARKE AS ALDERMAN OF FORTY-NINTH WARD.

Alderman Burke moved to *Suspend the Rules Temporarily* for the purpose of going out of the regular order of business for the immediate consideration of a report of the Committee on Committees, Rules and Ethics. The motion *Prevailed.*

The said report reads as follows:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on Wednesday, December 12, 1990 to consider the following: the appointment of Ginger Rugai to the office of Alderman of the 19th Ward; the appointment of Sam Burrell to the office of Alderman of the 29th Ward; and the appointment of Robert Clarke to the office of Alderman of the 49th Ward, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed appointments to the respective aldermanic seats.

This recommendation was concurred in by unanimous vote of the members of the committee.

Respectfully submitted,

(Signed) RICHARD F. MELL,
Chairman.

On motion of Alderman Mell, the committee's recommendation was *Concurred In* and the said proposed appointments of Ms. Ginger Rugai as Alderman of the 19th Ward, Mr. Sam Burrell as Alderman of the 29th Ward and Mr. Robert Clarke as Alderman of the 49th Ward were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Roti, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Troutman, Garcia, Soliz, Gutierrez, E. Smith, Bialczak, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Stone -- 39.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, Alderman Laurino, Dean of the City Council, escorted Ms. Rugai to the Clerk's rostrum where The Honorable Walter S. Kozubowski, City Clerk, administered the oath of office to Ms. Rugai, newly appointed Alderman of the 19th Ward. Thereupon, the oath of office of Alderman Rugai was *Placed on File* in the Office of the City Clerk.

Alderman Rugai then addressed the City Council and its assembled guests, expressing her awe at the honor of representing the 19th Ward and following in the footsteps of former 19th Ward Aldermen Jeremiah Joyce and Michael Sheahan. Noting that she had worked with both men over the past seventeen years in her various capacities of resident, volunteer and community organization director, Alderman Rugai described her predecessors as unselfish and tireless individuals "who set the standards for governance of our ward". Alderman Rugai then vowed that she "will do no less, will try to do more and will follow in their tradition of honesty and integrity".

At this point in the proceedings, Alderman Laurino, Dean of the City Council, escorted Mr. Sam Burrell to the Clerk's rostrum where The Honorable Walter S. Kozubowski, City Clerk, administered the oath of office to Mr. Burrell, newly appointed Alderman of the 29th Ward. Thereupon, the oath of office of Alderman Burrell was *Placed on File* in the Office of the City Clerk.

Alderman Burrell then addressed the City Council and its assembled guests, thanking Mayor Daley, the members of the City Council and the citizens of the 29th Ward for their support of his appointment. Observing that it was an honor to be appointed to a position of public trust, Alderman Burrell then stated that "I will do my best to serve honestly and fairly".

At this point in the proceedings, Alderman Laurino, Dean of the City Council, escorted Mr. Robert Clarke to the Clerk's rostrum where The Honorable Walter S. Kozubowski, City Clerk, administered the oath of office to Mr. Clarke, newly appointed Alderman of the 49th Ward. Thereupon, the oath of office of Alderman Clarke was *Placed on File* in the Office of the City Clerk.

Alderman Clarke then addressed the City Council and its assembled guests, observing that from the development of the Constitution of the United States at the Constitutional Convention of 1787 to the current moment, there had been a continuation of that document and its spirit and he declared his pride at being a part of that continuation. Noting that the Chicago City Council, as other legislative bodies at the state and national levels, upholds the constitution, protects the liberties of the people and governs in a humane manner, Alderman Clarke stated he was "honored to be among you".

Rules Suspended -- APPOINTMENT OF MR. JAMES J. LASKI, JR. AS ALDERMAN OF TWENTY-THIRD WARD.

Alderman Burke moved to *Suspend the Rules Temporarily* for the purpose of going out of the regular order of business for the immediate consideration of a report of the Committee on Committees, Rules and Ethics. The motion *Prevailed.*

The said report reads as follows:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on Tuesday, December 18, 1990 to consider the following: the appointment of James J. Laski, Jr. to the office of Alderman of the 23rd Ward, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed appointment.

This recommendation was concurred in by unanimous vote of the members of the committee.

Respectfully submitted,

(Signed) RICHARD F. MELL,
Chairman.

On motion of Alderman Mell, the committee's recommendation was *Concurred In* and the said proposed appointment of Mr. James J. Laski, Jr. as Alderman of the 23rd Ward was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Roti, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Troutman, Garcia, Soliz, Gutierrez, E. Smith, Bialczak, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Stone -- 39.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, Alderman Laurino, Dean of the City Council, escorted Mr. James J. Laski, Jr. to the Clerk's rostrum where The Honorable Walter S. Kozubowski, City Clerk, administered the oath of office to Mr. James J. Laski, Jr., newly appointed, Alderman of the 23rd Ward. Thereupon, the oath of office of Alderman Laski was *Placed on File* in the Office of the City Clerk.

Alderman Laski then addressed the City Council and its assembled guests, observing that the recent period has proved to be among the most significant of his life with his admittance to the bar, his marriage and his appointment to the position of Alderman of the 23rd Ward. Alderman Laski then stated that he "looked forward to serving on this distinguished body".

REGULAR ORDER OF BUSINESS RESUMED.

Referred -- APPOINTMENT OF MR. KENNETH B. SMITH AS MEMBER OF BOARD OF ETHICS.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, at the request of two aldermen present (under the provisions of Council Rule 43) *Referred to the Committee on Committees, Rules and Ethics:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 19, 1990.

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

LADIES AND GENTLEMEN -- I hereby appoint Kenneth B. Smith as a member of the Board of Ethics for a term ending July 31, 1994 to succeed Margaret Carter whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF MUNICIPAL CODE OF CHICAGO TITLE 17 (CHICAGO ZONING ORDINANCE) BY INCREASING REQUIRED WIDTH OF OFF-STREET PARKING SPACES FOR PERSONS WITH DISABILITIES.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Zoning:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Special Assistant to the Mayor for People with Disabilities and the Zoning Administrator, I transmit herewith an ordinance which amends the City of Chicago Zoning Ordinance by increasing the required width of off-street parking spaces for people with disabilities.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF MUNICIPAL CODE OF CHICAGO TITLE 17 (CHICAGO ZONING ORDINANCE) BY PERMITTING ESTABLISHMENT OF COMMUNITY HOMES FOR PERSONS WITH DISABILITIES.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Zoning:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Special Assistant to the Mayor for People with Disabilities and the Zoning Administrator, I transmit herewith an ordinance which amends the City of Chicago Zoning Ordinance by permitting the establishment of community homes for persons with disabilities.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF MUNICIPAL CODE OF CHICAGO TITLE 17 (CHICAGO ZONING ORDINANCE) BY PERMITTING INSTALLATION OF WHEEL CHAIR LIFTS AND RAMPS WITHIN REQUIRED YARDS.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Zoning:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Special Assistant to the Mayor for People with Disabilities and the Zoning Administrator, I transmit herewith an ordinance which amends the City of Chicago Zoning Ordinance by permitting the installation of wheel chair lifts and ramps within required yards.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- MODIFICATION AND ENLARGEMENT OF ENTERPRISE ZONE FIVE BOUNDARIES.

The Honorable Richard M. Daley, 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

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Economic Development, I transmit herewith an ordinance modifying and enlarging the boundaries of Enterprise Zone 5, located on the west side of the City.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- MODIFICATION AND ENLARGEMENT OF ENTERPRISE ZONE SIX BOUNDARIES.

The Honorable Richard M. Daley, 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

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Economic Development, I transmit herewith an ordinance modifying and enlarging the boundaries of Enterprise Zone 6, located on the south side of the City.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION OF PARTICIPATION LOAN FOR AFFORDABLE HOUSING, INC. PURSUANT TO CITY OF CHICAGO INDUSTRIAL RETENTION AND EXPANSION LOAN PROGRAM.

The Honorable Richard M. Daley, 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

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Economic Development, I transmit herewith an ordinance authorizing a Participation Loan of $325,000 to Affordable Housing, Inc. pursuant to the City's Industrial Retention and Expansion Loan Program.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION OF PARTICIPATION LOAN FOR DOBSON LEASING COMPANY PURSUANT TO CITY OF CHICAGO INDUSTRIAL RETENTION AND EXPANSION LOAN PROGRAM.

The Honorable Richard M. Daley, 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

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Economic Development, I transmit herewith an ordinance authorizing a Participation Loan of $250,000 to the Dobson Leasing Company pursuant to the City's Industrial Retention and Expansion Loan Program.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- EXECUTION OF INTERGOVERNMENTAL AGREEMENT WITH CHICAGO HOUSING AUTHORITY CONCERNING SALE OF GASOLINE FOR CHICAGO HOUSING AUTHORITY VEHICLES.

The Honorable Richard M. Daley, 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

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of General Services, I transmit herewith an ordinance authorizing the Commissioner to execute an intergovernmental agreement between the City of Chicago and the Chicago Housing Authority, whereby the City will sell gasoline to the Chicago Housing Authority for its vehicles.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- SUBMISSION OF APPLICATION TO ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY FOR GRANT TO IMPLEMENT CHICAGO POLICE DEPARTMENT'S SYSTEMATIC CRIMINAL HISTORY INFORMATION NEEDS ANALYSIS PROGRAM.

The Honorable Richard M. Daley, 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

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Superintendent of Police, I transmit herewith an ordinance authorizing the Superintendent to apply to the Illinois Criminal Justice Information Authority for a grant of up to $200,000 for implementation of the Chicago Police Department's Systematic Criminal History Information Needs Analysis Program.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT TO CITY/STATE AGREEMENT CONCERNING IMPROVEMENT OF PORTION OF WEST 62ND STREET.

The Honorable Richard M. Daley, 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

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Public Works, I transmit herewith an ordinance authorizing the execution of an amendment to a City/State Agreement authorizing the expenditure of $325,000 of state and federal funds for the improvement of 62nd Street between Nagle Avenue and Nashville Avenue.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- EXECUTION OF AGREEMENT WITH CHICAGO TRANSIT AUTHORITY, CHICAGO PARK DISTRICT AND CHICAGO NATIONAL LEAGUE BALL CLUB, INC. FOR DEVELOPMENT OF SPECIFIED LAND ALONG NORTH SEMINARY AVENUE.

The Honorable Richard M. Daley, 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

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Public Works, I transmit herewith an ordinance authorizing the execution of an agreement between the City of Chicago, the Chicago Transit Authority, the Chicago Park District and the Chicago National League Ball Club, Inc. for development of park land, recreational facilities, parking and service alleys along Seminary Avenue between Irving Park Road and Montrose Avenue.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- ACCEPTANCE OF BID FOR PROPERTY AT 5518 SOUTH MARSHFIELD AVENUE UNDER ADJACENT NEIGHBORS LAND ACQUISITION PROGRAM.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Housing, Land Acquisition, Disposition and Leases:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of General Services, I transmit herewith an ordinance and bid proposal for the parcel located at 5518 South Marshfield Avenue.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- CONVEYANCE OF CERTAIN REAL ESTATE ON BEHALF OF CHICAGO BOARD OF EDUCATION TO CHICAGO PARK DISTRICT.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to a Joint Committee composed of the members of the Committee on Housing, Land Acquisition, Disposition and Leases, the members of the Committee on Education and the members of the Committee on Beautification and Recreation:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 19, 1990.

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

LADIES AND GENTLEMEN -- At the request of the Chicago Board of Education, I transmit herewith an ordinance authorizing the City of Chicago, as trustee holding title to real estate for the Chicago Board of Education, to exchange certain real estate with the Chicago Park District pursuant to an agreement reached between the Chicago Board of Education and the Chicago Park District.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

City Council Informed As To Miscellaneous Documents Filed In City Clerk's Office.

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

Placed On File -- RESIGNATION OF THE HONORABLE WILLIAM F. KRYSTYNIAK AS ALDERMAN OF TWENTY-THIRD WARD.

The City Clerk submitted the following communication which was *Placed on File:*

December 11, 1990.

Honorable Walter S. Kozubowski
City Clerk
City Hall, Room 107
121 North LaSalle Street
Chicago, Illinois 60602

Dear Honorable Walter S. Kozubowski:

This is to inform you at the close of the business day, December 11, 1990, I am resigning my elected office of Alderman of the 23rd Ward.

Very truly yours,

(Signed) WILLIAM F. KRYSTYNIAK,
Alderman, 23rd Ward.

Placed On File -- APPROVAL BY CHICAGO PLAN COMMISSION AND DEPARTMENT OF PLANNING OF CERTAIN PROPOSALS.

Also, copies of resolutions adopted by the Chicago Plan Commission on

September 13, 1990 and reports of the Department of Planning, approving the following proposals, which were *Placed on File:*

Department Of General Services, Real Estate Section.

Disposition Of Vacant City-Owned Property.

Referral Number	Address
90-208-02	18 properties for disposition under the C.H.A. Scattered Site Housing Program for development by Habitat Company
90-214-02	1900 North Kedzie Avenue
90-215-02	1712 North Albany Avenue
90-216-02	1709 North Albany Avenue
90-217-02	2600 West Crystal Street/1240 -- 1242 North Rockwell Street
90-218-02	2096 North Milwaukee Avenue
90-219-02	3352 -- 3355 West Walnut Street
90-220-02	1641 West Warren Boulevard
90-223-02	2448 West Lexington Street
90-224-02	315 -- 327 South Pulaski Road/3950 -- 3958 West Gladys Avenue
90-225-02	2745 West Lexington Street
90-226-02	2857 West 25th Place
90-227-02	3841 South Giles Avenue
90-228-02	1928 South Christiana Avenue
90-229-02	6817 South Ridgeland Avenue

Referral Number	Address
90-230-02	1615 -- 1619 East 85th Street
90-232-02	1830 North Milwaukee Avenue
90-233-02	1700 North Francisco Avenue/2900 West Wabansia Avenue
90-240-02	1630 -- 1632 North Troy Street
90-241-02	2655 -- 2659 West Augusta Boulevard/947 -- 955 North Washtenaw Avenue
90-248-02	2015 West Walnut Street
90-251-02	1327 South Talman Avenue
90-252-02	1617 West 17th Street
90-255-02	4246 -- 4254 South Vincennes Avenue
90-256-02	550 West 44th Street
90-257-02	5118 South Prairie Avenue
90-258-02	6349 -- 6355 South Winchester Avenue/1914 -- 1922 West 64th Street
90-259-02	12000 South Emerald Avenue
90-262-02	19 parcels for disposition under Phase XXV of the Adjacent Neighbors Land Acquisition Program

Chicago Public Library.

Referral Number	Proposal
90-261-10	Proposed location for new public library at 7525 -- 7543 South Racine Avenue.

City Council Informed As To Certain Actions Taken.

PUBLICATION OF JOURNAL.

The City Clerk informed the City Council that all those ordinances, et cetera which were passed by the City Council on December 5, 1990, 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 December 19, 1990, 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 December 5, 1990, published by authority of the City Council, in accordance with the provisions of Title 2, Chapter 12, Section 050 of the Municipal Code of Chicago, as passed on June 27, 1990.

Miscellaneous Communications, Reports, Et Cetera, Requiring Council Action (Transmitted To City Council By City Clerk).

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

Referred -- ZONING RECLASSIFICATIONS OF PARTICULAR AREAS.

Applications (in duplicate) together with the proposed ordinances for amendment of the Chicago Zoning Ordinance, as amended, for the purpose of reclassifying particular areas, which were *Referred to the Committee on Zoning,* as follows:

Chicago Transit Authority -- to classify as a Transportation Planned Development No. ____ instead of an M2-2 General Manufacturing District No. 1 the area shown on Map No. 18-H bounded by:

West 74th Street; a line 850.63 feet west of and parallel with the center line of South Ashland Avenue; a line 375.52 feet south of and parallel with the south line of West 74th Street; a line 960.12 feet west of and parallel with the center line of South Ashland Avenue; a line 517.50 feet south of and parallel with the south line of West 74th Street; and a line 2,082 feet west of and parallel with the center line of South Ashland Avenue.

Michael Cione c/o John J. Pikarski, Jr. -- to classify as a B6-6 Restricted Central Business District instead of a C1-5 Restricted Commercial District the area shown on Map No. 3-F bounded by:

a line 125 feet north of and parallel to West Goethe Street; the alley next east of North Wells Street; a line 50 feet north of and parallel to West Goethe Street; and North Wells Street.

James and Carol Economon -- to classify as a C3-6 Commercial-Manufacturing District instead of a C3-5 Commercial-Manufacturing District the area shown on Map No. 2-F bounded by:

a line 223.74 feet north of and approximately parallel to West Van Buren Street; the public alley next east of South Jefferson Street; a line 173.84 feet north of and approximately parallel to West Van Buren Street; and South Jefferson Street.

Gary A. Marks -- to classify as a C3-6 Commercial-Manufacturing District instead of a C3-5 Commercial-Manufacturing District the area shown on Map No. 2-F bounded by:

a line 110.59 feet north of and parallel to West Van Buren Street; South Desplaines Street; West Van Buren Street; and the alley next west of and parallel to South Desplaines Street.

Gary A. Marks -- to classify as a C3-6 Commercial-ManufacturingDistrict instead of a C3-5 Commercial-Manufacturing District the area shown on Map No. 1-F bounded by:

the alley next north of and parallel to West Lake Street; the alley next west of and parallel to North Clinton Street; a line 80.37 feet north of West Lake Street; North Clinton Street; West Lake Street; and a line 30.20 feet west of the alley next west of and parallel to North Clinton Street.

The Neighborhood Institute/TNI Development Corporation -- to classify as an Residential Planned Development District instead of a B3-3 and B3-4 General Retail District and R5 General Residence District the area shown on Map No. 16-C, Section 24, Township 38 North, Range 14 East bounded by:

(1) Lot 16 and Lot 17 of the resubdivision of Blocks 10 and 11 and part of Block 12 in South Shore Division Number 5, a subdivision of the east half of the southeast quarter of Section 24, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

(2) Lots 18, 19, 20, 21, 22, 23, 24 and 25 in Block 5 in the resubdivision of Blocks 10 and 11 and part of Block 12 in South Shore Division Number 5, of the east half of the southeast quarter of Section 24, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

(3) Lots 26, 27, 28, 29 and 30 in Block 5 in the resubdivision of Blocks 10 and 11 and part of Block 12 in South Shore Division Number 5, being a subdivision of the east half of the southeast quarter of Section 24, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

(4) Lots 1 -- 15, both inclusive, in the resubdivision of Blocks 10 and 11 and part of Block 12 in South Shore Division Number 5, a subdivision of the east half of the southeast quarter of Section 24, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

(5) Lots 8, 9, 10, 11 and 12 in Block 3, in the resubdivision of Blocks 10 and 11 and part of Block 12, in South Shore Division Number 5, being a subdivision of the east half of the southeast quarter of Section 24, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

(6) Lots 1, 2, 3 and 4 and all of the alleys (now vacated) as shown on the plat of the resubdivision of Block 4 in the resubdivision of Blocks 10, 11 and part of Block 12 in South Shore Subdivision Number 5 in the east half of the southeast quarter of Section 24, Township 38 North, Range 14 East of the Third Principal Meridian which plat recorded December 15, 1926 as Document Number 9496947 excepting therefrom that part thereof dedicated and used for alley purposes bounded by a line described as follows:

beginning at a point in the north line of said block 274.08 feet west of the east line of said block; thence east along the north line of said block 20 feet; thence south in a straight line parallel to the east line of said block 86 feet; thence southeasterly on a straight line 11.31 feet to a line 94 feet south of and parallel to the north line of said block;

113.65 feet; thence southeasterly on a straight line 76.28 feet to the south line of Lot 4 in said block; at a point 75.27 feet west of the east line of said block; thence east 14.87 feet; thence south 26 feet; thence west 45.34 feet; thence north 26 feet; thence northwesterly 45.81 feet to a line 114 feet south of and parallel to the north line of said block; thence west 134.03 feet to a point which is 274.08 feet west of the east line of said Lot 4; thence north 114 feet to the point of the beginning, in Cook County, Illinois.

Wabash Ltd. Partnership -- to classify as a B4-5 Restricted Service District instead of a C3-5 Commercial-Manufacturing District the area shown on Map No. 4-E bounded by:

a line 394.39 feet north of and parallel to East 14th Street; South Wabash Avenue; a line 25 feet north of and parallel to East 14th Street; a line 25 feet long, 146.05 feet west of South Wabash Avenue; a line 10 feet long, 50 feet north of and parallel to East 14th Street; a line 139.83 feet long, 136.05 feet west of South Wabash Avenue; a line 10 feet long, 189.83 feet north of and parallel to East 14th Street; and a line 204.5 feet long, 146.05 feet west of and parallel to South Wabash Avenue.

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

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

Vehicle Or Property Damage.

Action Auto Rental, Allstate Insurance Company (4) Mary Conley, Joanne Draper, Wayne Griffin and Jose Perez, American Ambassador Casualty Company (2) Eddie Norwood, Jr. and Monica Rodriguez, American Country Insurance and Kermit Scales, American Family Insurance Group and Cheryl L. Shelton, American Service Insurance Company and Meeta Sarin, Archer Alfonso, Arnold Deborah;

Bearrows Thomas, Berman Michael R., Boozer Archa, Brauc John, Brniak Rhita, Brown Lacy, Brown Regina, Bruck Theodore;

Cahill Kyran, Carrara Mario and Lillian, Chun Grace, Cobb Janet, Colonial Penn Insurance Company (2) William McKenna and Lessie Winston, Coria Juan, Crawford & Company and Maria Moreno;

Dependable Auto Sales and Edward Stolz, Diamond Esther, Dickens Robert, Di Nicolo Constance, Dixon Isiah;

Elizade Medardo;

Fairs Karon, Farrell Valerie, Ford Michelle;

General Casualty and Shelley Jacobson, GEICO and Sharadbabu Laxpati, Giovacchini Adelia, Greene Cynthia;

Harper Almeda, Harris Charlotte, Hartley Donald, Harvey Janys and Howard Krane, Hathaway Diane, Hester William, Holtz Steven and Susan, Horton Linda;

Illinois Bell Telephone Company, Imperial Smelting Corporation, Inzauro Cynthia;

Johnson Geans, Johnson Hadell Sr., Johnston Lorenzo Sr., Jun Jung Shik and Young K. Kwon;

Kadan Joseph, Kentucky Fried Chicken and Donald P. Burke, Knipp Geraldine;

Lathridge James, Lee Cedric D., Linnane Thomas, Luciano Marylinn;

Mansfield Barry, McKeighan James, Medina Jose, Mendoza Javier, Mercado Maria, Militello James, Milwaukee Insurance Company and Sheffield Systems, Inc.;

Nachman Malgorzata, Norwood Mildred, Norwood Toya;

Pappas Dean, Peoples Gas Light and Coke Company (8), Perez Efrain, Pistone Anthony, Prudential Insurance Company (2) Donald and Nancy Armstrong and Thomas Burchart;

Reis Sally Ann, Richards Paul, Rios David, Rose of Sharon C.O.G.I.C., Ross Leonard, Russell Joe;

Sak Carol, Samaan Charlie, Schenk Barbara, Senase Rhonda, Shabi Julie, Shanks Christopher, Shaps Cele A., Sierakowski Jessica, Standard Mutual Insurance Company and Richard Boywid, Star Submarine, State Farm Insurance Company (5) Martin L. DePeder, Lolita Kennedy, Elio and Patricia Manarin, Katrinka Markowitz and Annette Mills, Stevanovich Jovanka;

Taylor Cynthia, Taylor Wiley Jr., Taylor William J., Thomas Harold, Tierney Marie, Titus Darrell, Torres Maria, Total Management Systems, Inc., Treger Bradford, Troester Karen;

Vera Mary Sue, Vlahos Georgia;

Warshawsky Eileen, Western States Insurance Company and Nancy K. Welsh, Westfield Companies and Joseph Betancourt, Williams Randolph, Willis Charles, Wilson Henry, Winslow Mary;

Zaun Heather, Zubizarreta Jane, Zudjelovic Becir.

Flood Damage.

Dammons Donald, Dunn Lucille;

Granberry Ruth, Griffin Sol;

Howard Andrew and Loretta;

Liggons Fred, Logan Eddie, Luster Prentiss;

Randle-El Adriane, Ross Mille;

Seaton Dan W., Smith Susan;

Thompson Joyce;

Vlahos Peter.

Referred -- PROPOSED RESOLUTION MEMORIALIZING PRESIDENT GEORGE BUSH TO PEACEFULLY RESOLVE IRAQ -- KUWAIT CRISIS.

Also, a communication from Mr. Robert T. Simpson, Jr., President, International Brotherhood of Teamsters Union, Local No. 743, transmitting a proposed resolution requesting the City Council to urge President George Bush to bring the Iraq -- Kuwait crisis to a peaceful solution, which was *Referred to the Committee on Intergovernmental Relations.*

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

SUPERINTENDENT OF MAPS DIRECTED TO APPROVE PLAT OF ILLINOIS SPORTS FACILITIES AUTHORITY RESUBDIVISION BOUNDED BY WEST 33RD STREET, WEST 38TH STREET, SOUTH NORMAL AVENUE AND SOUTH WENTWORTH AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the approval of a plat of Illinois Sports Facilities Authority Resubdivision located between West 33rd Street, West 38th Street, South Normal Avenue and South Wentworth Avenue, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. That the Superintendent of Maps, Ex Officio Examiner of Subdivisions, is hereby authorized and directed to approve a plat of Illinois Sports Facilities Authority Resubdivision located between West 33rd Street, West 38th Street, South Normal Avenue and South Wentworth Avenue consisting of five (5) blocks and providing for the dedication of the east 33 feet of South Normal Avenue between West 33rd Street and West 35th Street as shown on the attached plat, when the necessary certificates are shown on said plat for the Illinois Sports Facilities Authority (File No. 33-11-90-1553).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

[Plat attached to this ordinance omitted for printing purposes but on file and available for public inspection in the Office of the City Clerk.]

AMENDMENT OF PREVIOUSLY ADOPTED RESOLUTION WHICH RECOMMENDED IMPLEMENTATION OF NORTH LAWNDALE PILOT PROGRAM ("NEIGHBORHOOD/BOOT STRAP FUND").

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a resolution amending a resolution authorizing the implementation of the North Lawndale Pilot Program, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Adopt* the proposed resolution transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

Be It Resolved, That the appointment of an advisory committee to make recommedations to the Committee on Finance concerning implementation of North Lawndale Pilot Program "Neighborhood/Boot Strap Fund" is hereby amended by deleting the language bracketed and inserting the language in italics as follows:

Section 3. The advisory committee shall report its findings back to the Committee on Finance within [120] *240* days of this date.

AMENDMENT OF ORDINANCE WHICH AUTHORIZED ISSUANCE OF GENERAL OBLIGATION TENDER NOTES, SERIES 1988C BY REPROGRAMMING CERTAIN FUNDS NECESSARY FOR REHABILITATION OF FIRE DEPARTMENT EQUIPMENT.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the reprogramming of funds from the Series 1988C General Obligation Tender Notes to allow the Fire Department to rehabilitate twelve pumpers and five hook and ladder trucks, for the amount of $744,000.00, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The management of its finances is a matter pertaining to the government and affairs of the City; and

WHEREAS, On May 25, 1988, the City Council of the City passed an ordinance authorizing the issuance of General Obligation Tender Notes, Series 1988C (the "Notes"), in the principal amount of $37,000,000 for the purpose of financing the acquisition of certain capital equipment for the City; and

WHEREAS, It has been determined to be more economical for the Fire Department of the City to reprogram $744,000 of the Note proceeds allocated for the purchase of new equipment to the rehabilitation of equipment already owned by the Fire Department; now, therefore,

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

SECTION 1. That the ordinance authorizing the issuance of General Obligation Tender Notes, Series 1988C approved on May 25, 1988 (Council Journal of Proceedings pages 13945 -- 14025) is hereby amended by striking the words and figures indicated and inserting the words and figures indicated in the attached Exhibit "A".

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

Exhibit "A" attached to this ordinance reads as follows:

Exhibit "A".

Department And Item	Strike No.	Strike Amount	Insert No.	Insert Amount
Fire Department				
110-foot Aerial Ladders	2	$620,000	-0-	$-0-
1,250 G.P.M. Pumpers	4	640,000	-0-	-0-
Rehab. 1,250 G.P.M. Pumpers	3	240,000	12	984,000
Rehab. 100-foot Aerial Ladder	1	175,000	5	709,978
Ambulance	20	700,000	20	670,683
Mobile Radios		107,000		104,719
Respiratory Compressor	1	50,000	1	62,620

Amends: 58.

LEVY OF TAXES FOR YEAR 1991 ON ALL CITY OF CHICAGO TAXABLE PROPERTY.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the levy of taxes for the year 1991, in the amount of $595,915,000.00, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Giles, Cullerton, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 46.

Nays -- Aldermen Banks, Laurino, Pucinski -- 3.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago, Illinois (the "City"), is a municipal corporation and a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution; and

WHEREAS, The City has adopted its annual appropriation ordinance for the year 1991, pursuant to its powers granted by the constitution and laws of the State of Illinois; and

WHEREAS, It is now appropriate and in the best interests of the City to enact its tax levy ordinance for the year 1991 to become effective as provided herein; and

WHEREAS, It is appropriate that the tax levy ordinance for the year 1991 receive expeditious consideration by the City Council; now, therefore,

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

SECTION 1. The sum of Five Hundred Ninety-five Million, Nine Hundred Fifteen Thousand Dollars ($595,915,000) ascertained by the City Council as the total amount of appropriations heretofore legally made for all corporate purposes to be provided for by the tax levy of the year 1991, is hereby levied for the year 1991 upon all property within the City of Chicago subject to taxation. The purposes for which appropriations have been made and the amount appropriated for each purpose, respectively, are hereinafter specified in detail in the manner authorized for the annual appropriation ordinance for the year 1991, annexed to and made a part of this ordinance. The amounts appropriated and levied for each of said purposes, respectively, are set forth below in separate columns:

Appropriations For Expenditures And Amounts Levied For The Fiscal Year Beginning January 1, 1991, And Ending December 31, 1991.

Code	Description	Amounts Appropriated	Amounts Levied
	Bond Redemption And Interest Fund -- 508		
	Amounts to be levied in 1991 for the payment of bonds and interest on bonds:		
2005.0902	For interest on bonds	$ 69,000	$ 69,000
2005.0912	For payment of bonds	165,000	165,000
	Total for principal and interest	$234,000	$234,000
2020.0960	For loss in collection of taxes	2,000	2,000
	Total from Bond Redemption and Interest Fund	$236,000	$236,000

Code	Description	Amounts Appropriated	Amounts Levied
	Note Redemption And Interest Fund -- 509 Project Notes		
	Amounts to be levied in 1991 for the payment of notes and interest on notes:		
2005.0961	For payment of term notes	$33,750,000	$33,750,000
2005.0962	For payment of interest on term notes	6,813,000	6,813,000
2005.0900	Total for principal and interest	$40,563,000	$40,563,000
2020.0960	For loss in collection of taxes	2,135,000	2,135,000
	Total from Note Redemption and Interest Fund	$42,698,000	$42,698,000
	Bond Redemption and Interest Fund -- 510		
	Amounts to be levied in 1991 for the payment of bonds and interest on bonds:		
2005.0902	For interest on term bonds	$46,346,000	$38,541,000
	Community improvement and development -- 1975		
	Emergency communication/ dispatch system -- 1977		
	General obligation, series of April, 1981		

Code	Description	Amounts Appropriated	Amounts Levied
	General obligation project bond -- 1985		
	Refunding series -- 1985		
	O'Hare Rapid Transit extension -- 1977		
	Police Department equipment -- 1977		
	Sewer -- 1973		
	Sewer -- 1977		
	Project refunding series -- 1987		
	Solid waste processing plant -- 1973		
	Streets and Sanitation Department equipment -- 1977		
	Navy Pier refunding		
2005.0912	Total for payment of bonds	$25,350,000	$21,081,000
2020.0960	For loss in collection of taxes	3,138,000	3,138,000
	Total from Bond Redemption and Interest Fund -- 510	$74,834,000	$62,760,000
	Tender Note Series Note Redemption and Interest Fund -- 512		
	Amounts to be levied in 1991 for the payment of notes and interest on notes:		

Code	Description	Amounts Appropriated	Amounts Levied
2005.0961	For payment of term notes	$261,426,000	$261,426,000
2020.0960	For loss in collection of of taxes	13,760,000	13,760,000
	Total from Note Redemption and Interest Fund -- 512	$275,186,000	$275,186,000
	Municipal Employees' Annuity and Benefit Fund -- 681		
2025.0976	For the City's contribution to employees' annuity and benefit fund	$114,530,000	$98,610,000
	Laborers' and Retirement Board Employees' Annuity and Benefit Fund -- 682		
2025.0976	For the City's contribution to employees' annuity and benefit fund	$16,382,000	$12,942,000
	Policemen's Annuity and Benefit Fund -- 683		
2025.0976	For the City's contribution to employees' annuity and benefit fund	$79,706,000	$67,750,000
	Firemen's Annuity And Benefit Fund -- 684		

Code	Description	Amounts Appropriated	Amounts Levied
2025.0976	For the City's contribution to employees' annuity and benefit fund	$36,888,000	$31,355,000
	Public Building Commission Fund -- 641		
2005.0915	Department of Law/31 For payment of leases	$ 492,000	$ 139,000
1005.0915	Department of Health/41 For payment of leases	28,000	8,000
2005.0915	Department of Fire/59 For payment of leases	656,000	186,000
2005.0915	Department of Streets and Sanitation Bureau of Sanitation/81-1015 For payment of leases	6,000	2,000
2005.0902	For interest on bonds	1,356,000	384,000
2005.0912	For payment of bonds	4,792,000	1,358,000
2020.0960	For loss in collection of taxes	110,000	110,000
	Total for Public Building Commission Fund -- 641	$ 7,440,000	$ 2,187,000
	Library Bond Redemption and Interest Fund -- 568		
	Amounts to be levied in 1991 for the payment of bonds and interest on bonds:		
2005.0902	For interest on bonds	$19,500,000	$ 2,081,000
2020.0960	For loss in collection of taxes	110,000	110,000

Code	Description	Amounts Appropriated	Amounts Levied
	Total from Library Bond Redemption and Interest Fund -- 568	$19,610,000	$ 2,191,000

TOTAL TAX LEVY: $595,915,000

SECTION 2. In no event shall the amount levied for any purpose, as set forth in Section 1 hereof, exceed the amount appropriated for such purpose as set forth in the annual appropriation ordinance adopted for the City for the year 1991.

SECTION 3. The City Clerk is directed to file certified copies of this ordinance, together with copies of the annual appropriation ordinance for the year 1991, with the County Clerk of Cook County and the County Clerk of Du Page County.

SECTION 4. This ordinance shall be in full force and effect from and after its passage and approval.

AMENDMENT OF ORDINANCE WHICH AUTHORIZED ISSUANCE OF GENERAL OBLIGATION EQUIPMENT TENDER NOTES, SERIES 1991C.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the amendment of the City's General Obligation Equipment Tender Notes, Series 1991C, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a body politic and corporate under the laws of the State of Illinois and a home rule unit under Article VII of the Illinois Constitution of 1970; and

WHEREAS, On November 28, 1990, the City Council passed an ordinance (the "Series 1991C Ordinance") authorizing the issuance, sale and delivery of the City's General Obligation Equipment Tender Notes, Series 1991C (the "Series 1991C Notes") to finance the acquisition of necessary capital equipment for the City, as set forth in Exhibit B to the Series 1991C Ordinance; and

WHEREAS, The Series 1991C Ordinance authorizes the Comptroller to determine whether the Series 1991C Notes are to be issued in book-entry form and provides that in the event of such determination, the book-entry services of a securities depository are to be utilized; and

WHEREAS, The City has determined that it is necessary and desirable to permit the selection of additional securities depositories to provide book-entry services; and

WHEREAS, By virtue of its Constitutional home rule powers and all laws applicable thereto, the City has the power to so amend the Series 1991C Ordinance; now, therefore,

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

SECTION 1. The City Council hereby finds that all of the recitals contained in the preamble to this ordinance are full, true and correct and does incorporate them into this ordinance by this reference.

SECTION 2. Section 12 of the Series 1991C Ordinance is hereby amended by inserting the language in italics, as follows:

Section 12. Book-Entry System.

The Comptroller is hereby authorized to determine whether the Notes shall be issued in the form of a single fully registered note for each series and maturity of the Notes. If so authorized, the book-entry services of Midwest Securities Trust Company ("Midwest"), *The Depository Trust Company ("D.T.C.") or any other securities depository capable of providing book-entry services selected or approved by the Comptroller* shall be used. If *the book-entry system is* used, the Comptroller is authorized to execute and deliver on behalf of the City such letters to or agreements with Midwest *D.T.C. or such other securities depository* and the Registrar as shall be necessary to effectuate such book-entry system.

SECTION 3. All sections of and provisions in the Series 1991C Ordinance are hereby ratified, approved and confirmed and shall remain in full force and effect, except as modified herein.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

EXECUTION OF CERTIFICATE OF PARTICIPATION IN LOAN FROM METROPOLITAN BANK TO CEDAR CONCEPTS CORPORATION.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of a Bank Participation Loan to Cedar Concepts Corporation, in the amount of $360,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development ("D.E.D.") of the City of Chicago ("City") has as its primary purpose the creation of additional employment opportunities in the City through the attraction and expansion of economic development activity in the City; and

WHEREAS, The City Council of the City previously reviewed and approved a D.E.D. initiative entitled the Bank Participation Loan Program

(Journal of the Proceedings of the City Council of the City of Chicago, Illinois, July 31, 1990); and

WHEREAS, The Bank Participation Loan Program requires City Council approval for those participations in which the City's share exceeds $150,000; and

WHEREAS, Cedar Concepts Corporation, an Illinois corporation, has made an application to D.E.D. to approve the purchase of a participation in the amount of $360,000 of a loan in an amount up to $1,060,000 from Metropolitan Bank for the purpose of purchasing the assets and building of a chemical manufacturing business, with an estimated 18 new permanent job opportunities for low and moderate income persons residing in the City; and

WHEREAS, The Bank Participation Loan Review Committee has approved the application of Cedar Concepts Corporation; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Commissioner of D.E.D. is authorized to execute, subject to review by the Corporation Counsel, a Certificate of Participation with Metropolitan Bank pursuant to which the City will purchase a participation in the amount of $360,000 of a loan in an amount up to $1,060,000 from Metropolitan Bank to Cedar Concepts Corporation.

SECTION 3. The Commissioner of D.E.D. is further authorized to enter into and execute, subject to review by the Corporation Counsel, such other documents as may be necessary and proper to implement the terms and conditions of the Bank Participation Loan Program with respect to Cedar Concepts Corporation.

SECTION 4. This ordinance shall be effective by and from the date of its passage.

EXECUTION OF LOAN AGREEMENT WITH ASHLAND I AND II LIMITED PARTNERSHIP UNDER MULTI-UNIT REHABILITATION ASSISTANCE PROGRAM FOR PROPERTY AT 7722 -- 7734 AND 7736 -- 7742 NORTH ASHLAND AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a substitute ordinance authorizing a loan to the Ashland I and II Limited Partnership for the purpose of rehabilitating the property located at 7722 -- 7734 and 7736 -- 7742 North Ashland Avenue, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Burrell, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, The City has determined that the continuance of a shortage of rental housing affordable to persons of low and moderate income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, The City has programmed $4,000,000 of Community Development Grant funds for its MULTI-Unit Rehabilitation Assistance Program ("MULTI-Program") in Program Year XVI, wherein acquisition loans at below-market rates of interest are made available to owners of rental properties containing five or more dwelling units in low and moderate income areas, and the MULTI-Program is administered by the City's Department of Housing; and

WHEREAS, The D.O.H. reviewed and approved the making of a loan to the Ashland I and II Limited Partnership, an Illinois limited partnership ("Borrower"), in an amount not to exceed $667,078 ("City Loan") from MULT-Program funds for acquisition, which when loaned, will leverage an additional $2,282,109 ("Other Funds") in other investments for the balance of acquisition costs and the rehabilitation of 51 units, said City Loan being more particularly described in Exhibit A attached hereto and made a part hereof; now, therefore,

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

SECTION 1. The above recitals, including the legislative findings, are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Upon approval and availability of the Other Funds as shown in Exhibit A, the Commissioner of D.O.H. is hereby authorized, subject to review by the Corporation Counsel, to enter into and execute such agreements, documents and notes as are required or necessary to implement the City Loan and the terms and program objectives of the MULTI-Program.

SECTION 3. This ordinance shall be in full force and effect by and from the date of its passage.

Exhibit "A" attached to this ordinance reads as follows:

Exhibit "A".

Borrower:	Ashland I and II Limited Partnership, an Illinois limited partnership consisting of Peoples Development Corporation, an Illinois corporation, as its sole limited

	partner and National Equity Fund, an Illinois general partnership as its sole limited partner, or a land trust of which Ashland I and II Limited Partnership is the sole beneficiary.	
Project:	Acquisition and rehabilitation of 51 two- and three-bedroom units for low- and moderate-income families located at 7722 -- 7734 and 7736 -- 7742 North Ashland Avenue.	
City Loan:	$667,078.00	
	Term:	30 years from Payment Date as described below.
	Source:	MULTI-Program, C.D.B.G. Year XVI.
	Interest:	Zero percent per annum.
	Repayment:	Years 1 -- 4: the greater of (a) 50% of net cash flow as defined in the Limited Partnership Agreement (not to exceed an aggregate of $22,233) or (b) $2,000 to be paid annually. Years 5 -- 30: 311 monthly payments of $1,852.78 and one final payment of $1,852.78 plus all outstanding principal. Payment will commence on the earlier of a date (a) 12 months following full disbursement of the City Loan funds or (b) 24 months following the date of closing of the City Loan ("Payment Date").
	Security:	Second mortgage.
Others Funds:	Loan:	$1,257,600

	Term:	30 years
	Source:	First National Bank of Chicago
	Security:	Senior adjustable rate mortgage with an initial rate not to exceed 11.0 percent per annum.
	Equity:	$1,024,509.00
Total Project Costs:	$3,307,651.	

AUTHORIZATION FOR CORPORATION COUNSEL TO ENTER INTO SETTLEMENT AGREEMENT REGARDING *RYAN V. CITY OF CHICAGO.*

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the Corporation Counsel to enter into and execute a settlement order in the following case: Ryan v. City of Chicago, 83 CH 930 in the amount of $10,383,122.60, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: *Ryan v. City of Chicago*, 83 CH 930 in the amount of $10,383,122.60.

EXECUTION OF INTERGOVERNMENTAL MEMORANDUM OF UNDERSTANDING WITH CHICAGO TRANSIT AUTHORITY TO EXTEND PASSENGER SECURITY AGREEMENT.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of an Intergovernmental Memorandum of Understanding between the City of Chicago and the Chicago Transit Authority, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago and the Chicago Transit Authority are both municipal corporations and separate and independent units of local government under the constitution and laws of the State of Illinois and as such have authority by statute to enter into an agreement for intergovernmental cooperation; and

WHEREAS, The security of the public transit passengers, employees and property in the City of Chicago is a matter of public concern, and providing for such security is in the public interest; and

WHEREAS, The Chicago Transit Authority desires to further extend an agreement with the City of Chicago to continue a long range strategy to provide such security to Chicago Transit Authority passengers, employees and property; now, therefore,

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

SECTION 1. On behalf of the City of Chicago, the Mayor is hereby authorized to enter into and execute, the City Clerk to attest and the Corporation Counsel to review as to form and legality, an

Intergovernmental Agreement between the Chicago Transit Authority and the City of Chicago, the agreement to be in substantially the same form as the agreement attached hereto as Exhibit 1.

SECTION 2. This ordinance shall become effective from and after its passage.

Exhibit "1" attached to this ordinance reads as follows:

Exhibit "1".

Intergovernmental Memorandum Of Understanding.

This Memorandum of Understanding made and entered into as of the ____ day of ___________, 19___, by and between the City of Chicago, a home rule municipality and municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Illinois, through its Department of Police (hereinafter referred to as the "C.P.D."), and the Chicago Transit Authority, a municipal corporation and unit of local government organized and existing under and by virtue of the Constitution and laws of the State of Illinois (hereinafter referred to as the "C.T.A.").

Witnesseth:

Whereas, The C.T.A. and C.P.D. entered into an Intergovernmental Cooperation Agreement dated as of December 20, 1989 (hereinafter referred to as the "Agreement") pursuant to which participants in the C.P.D. Voluntary Special Employment Program would provide security to C.T.A. passengers, employees and property on the terms and conditions set forth in the Agreement; and

Whereas, Section 18 of the Agreement provides that the Agreement shall expire on December 31, 1990, and provides further that the Agreement cannot be extended without the written consent of the parties; and

Whereas, The parties of the Agreement are desirous of extending the Agreement for a period of ninety (90) days from December 31, 1990 under its present terms and conditions.

In addition to the terms set forth herein, the parties agree that a thirty (30) day notice must be given prior to terminating the Agreement in order to avoid scheduling problems.

Now, Therefore, In consideration of the covenants and mutual covenants herein contained and contained in the Agreement the parties hereto and thereto agree as follows:

1. Extension of Agreement. The Agreement shall be and hereby is extended for a period of ninety (90) days commencing January 1, 1991 through March 31, 1991.

2. Terms and Conditions. Except as provided herein the terms and conditions set forth in the Agreement shall continue during the period the Agreement is extended as provided herein; provided however, in the event the Agreement is not further extended beyond the ninety (90) days and is thereby terminated, within sixty (60) days following termination the C.T.A. shall transfer to the City of Chicago title to and possession of all operating vehicles and replacement vehicles provided by C.T.A. under Section 6 of the Agreement.

This Memorandum further confirms the parties' understanding that should any claim or wage increase arise after the expiration of termination of the Agreement, or any extension thereof, which relates to a time period or act covered by the Agreement, or any extension thereof, the obligations and/or liabilities of the parties remain in accordance with the terms and conditions of the Agreement, particularly Paragraphs 7 -- 8 and 10 -- 14.

In Witness Whereof, The City of Chicago has caused this Intergovernmental Memorandum of Understanding to be executed by its Superintendent of Police, approved by the Mayor of the City of Chicago and the City Council and its seal to be hereto affixed and duly attested by its Clerk, and the Chicago Transit Authority has caused the same to be executed by the Chairman of the Chicago Transit Board and duly attested to by its Secretary as to the date and year first above written.

Approved As To Form
And Legality

City of Chicago,
a municipal corporation

____

By: ______________________
Mayor

Attest:

By: ______________________
Superintendent of Police

______________________________ Chicago Transit Authority, a municipal corporation

Approved As To Form:

By: (Signed) Clark Burrus
Chairman of the Transit Board

(Signed): Jerome M. Butler
Associate General Attorney, Corporate

Approved by Ordinance

No. 90-234

Attest:

(Signed): John Santoro
Secretary to Board

EXECUTION OF CITY/VILLAGE PROJECT AGREEMENT WITH VILLAGE OF NILES FOR IMPROVEMENT OF ALBION AVENUE BETWEEN NEWCASTLE AVENUE AND MILWAUKEE AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of an agreement between the City of Chicago and the Village of Niles for the improvement of Albion Avenue, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke then requested that the record reflect the said passed ordinance was transmitted to the Mayor, who affixed his signature to said ordinance at 10:48 A.M.

The following is said ordinance as passed:

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

SECTION 1. The Mayor is authorized to execute, the City Clerk to attest to and the Commissioner of Public Works to approve, subject to the review of the Corporation Counsel as to form and legality, a project agreement with the Village of Niles providing for the improvement of Albion Avenue between Newcastle Avenue and Milwaukee Avenue described therein, said agreement to be substantially in the following form:

[City/Village Project Agreement immediately follows
Section 2 of this ordinance.]

SECTION 2. This ordinance shall be in force and effect from and after its passage.

City/Village Project Agreement attached to this ordinance reads as follows:

City/Village Project Agreement

For The Improvement Of Albion Avenue

Between Newcastle Avenue And

Milwaukee Avenue

Between

City Of Chicago

And The

Village Of Niles.

This Agreement is made as of this ____ day of ___________, 199__, by and between the City of Chicago, a municipal corporation and home rule government under Article VII, Sections 1 and 6 (a) respectively, of the 1970 Constitution of the State of Illinois (the "City") acting by and through its Department of Public Works ("D.P.W.") and the Village of Niles, a municipal corporation duly organized and existing under the laws of the State of Illinois ("Village").

Witnesseth:

Whereas, The Village and the City are legal entities organized and existing under the laws of the State of Illinois having among their powers the authority to contract with one another to perform such undertakings as described herein; and

Whereas, The City and the Village are desirous of improving Albion Avenue between Newcastle Avenue and Milwaukee Avenue, as well as three cul-de-sac street ends (Newcastle Avenue, Oak Park Avenue and Normandy Avenue) extending into the Village (hereinafter referred to as the "Improvement" and identified in Section C of paragraphs 2 and 7 of this Agreement); and

Whereas, The corporate boundary between the City and the Village generally lies upon the center line of Albion Avenue, between Newcastle Avenue and Milwaukee Avenue, so that the north half of the Improvement lies within the corporate boundaries of the Village and the south half of the Improvement lies within the corporate boundaries of the City; and

Whereas, The City will include the entire Improvement in its New Street Construction Project No. U-8-034 and will finance the City's portion of the Improvement with 1991 Motor Fuel Tax funds; and

Whereas, Under municipal law, certain written agreements for the project may be required;

Now, Therefore, For and in consideration of the benefits to be derived from the construction of the Improvement, the sufficiency of which is hereby acknowledged, the parties hereto agree to the following terms and conditions:

A. Village Of Niles.

1. The Village either with its own forces, or in conjunction with such engineering firm as it might designate, shall prepare or cause to be prepared, in a format acceptable to the City, studies, surveys, plans, specifications and estimates of cost for that portion of the Improvement which lies within the corporate boundaries of the Village and to submit same to the City for inclusion in contract documents for the City's New Street Construction Project No. U-8-034.

2. Simultaneously with the execution of this Agreement, the Village shall tender to the City a check equal to

twenty-five (25) percent of the grand total of the Village's share of the projected cost of the Improvement as that share is set forth in paragraph 4 of Section C. Thereafter, the Village will reimburse the City for the actual cost of the Village's share of the contract construction and engineering and supervision costs of the Improvement, on a monthly basis, based on progressive billings submitted by the City.

3. The Village shall perform all of the work in connection with the Improvement that it has determined will be performed with its own forces prior to the initiation by the City of the contract construction work.

B. City Of Chicago.

1. The City shall prepare or cause to be prepared, studies, surveys, plans, specifications and estimates of the cost for that portion of the Improvement which lies within the corporate boundaries of the City. The City's plans and specifications together with the Village's plans and specifications prepared pursuant to paragraph 1 of Section A shall become the "Approved Plans and Specifications" for the Improvement. The City will include the entire Improvement in the City's New Street Construction Project No. U-8-034.

2. The City shall let and award a contract for the entire New Street Construction Project No. U-8-034, and will take full and complete charge of design submittals, drawings and specifications, engineering evaluation and supervising the construction and acquiring and equipping of the Improvement to insure that the Improvement is constructed in accordance with the Approved Plans and Specifications.

3. The City shall retain all project records relating to the Improvement and will make them available for inspection by the Village officials during the engineering and construction stages, and for a period of two (2) years after final acceptance of the Improvement.

C. Village Of Niles And City Of Chicago.

1. For the purpose of defining the local duties and responsibilities with regard to the Improvement under this Article C, the Improvement is hereby divided into two sections. Section one is the area located in the Village and is the responsibility of the Village and section two is the area located in the City and is the responsibility of the City.

2. The said Improvement generally consists of the reconstruction of Albion Avenue between Newcastle Avenue and Milwaukee Avenue as well as three cul-de-sac street ends (Newcastle Avenue, Oak Park Avenue and Normandy Avenue) extending into the Village. The existing substandard roadway will be replaced with a new street which will meet the standards for such construction set by both the City and the Village. The Improvement will include new pavement, curbs, gutters and sidewalks where necessary, sewer and drainage appurtenances where appropriate, selected site tree planting and the adjustment of water and electrical facilities (all as will be more specifically shown on the Approved Plans and Specifications). All other appurtenances necessary to complete the Improvement in accordance with the Approved Plans and Specifications will also be provided.

3. The contract documents for the construction of the Improvement will be prepared with separate line items and other provisions which clearly delineate the financial responsibilities of the City and the Village with regard to the construction of the Improvement.

4. The City and the Village will share in the contract construction and force account construction costs associated with the Improvement based on that work done specifically within each municipality's section of the Improvement. Construction engineering and supervision costs will be shared by the City and the Village in direct proportion to the actual contract construction costs attributable to each of the municipalities' section. The estimated costs of the Improvement are:

	City	Village	Total
Contract Construction	$ 796,000	$530,000	$1,326,000
Force Account/ Construction	$ 280,000	0	$ 280,000
Engineering and Supervision	$ 144,000	$ 96,000	$ 240,000
GRAND TOTAL:	$1,220,000	$626,000	$1,846,000

5. All work associated with the Improvement will be done in accordance with standards acceptable to the City and the Village, and will be subject to the inspection and approval of engineers representing the City and the Village, at all times during construction and upon completion of the Improvement.

6. The Village and the City will be responsible for all utility alterations or relocations and for all removal and/or replacement of such utilities required as a result of the construction within their respective section. Utilities include, but are not limited to, electrical, telephone and cable television lines and gas, oil, sewer and water pipelines.

7. The Village and the City will assume all responsibility for the operation, maintenance, repair and rehabilitation of the Improvement within their respective section after completion of construction of the Improvement.

8. The Improvement will be maintained in such a manner to assure that it will continue to serve the intended purpose. Maintenance of the Improvement will include, but not be limited to, keeping the Improvement area clean of all trash and other debris, or any other matter.

10. The Village and the City will hold and save each other and any of their duly appointed agents and employees harmless against any loss, damage, cause of action, fine or judgment, including all costs connected therewith such as attorney and witness fees, filing fees and any other expenses incident thereto, that may be incurred by

reason of personal injury, death, property damage or any and all other claims or suits of whatsoever nature that might arise or result from or as a consequence of the construction, location, existence and maintenance of the Improvement within their respective section.

D. Special Conditions.

1. The recitals set forth above are incorporated herein by reference and made a part hereof, the same constituting the factual basis for this transaction.

2. All covenants agreed to by the City which require funding are subject to the appropriation of funds and release of the funds as required by law.

3. All provisions of this Agreement shall be binding upon the successors and assigns of the principal parties hereto.

4. Nothing herein contained is intended or should be construed as in any way creating or establishing the relationship of partners or joint venturers between the City and the Village, or as constituting the Village or any of its officers, employees, or agents thereof as an agent, representative or employee of the City for any purpose or in any manner whatsoever.

5. The Village acknowledges that no member of the governing body of the City or other units of its government and no other officer, employee or agent of the City or other unit of its government who exercises any functions or responsibilities in connection with the carrying out of the Improvement, shall have any personal interest, direct or indirect, in this Agreement or the subconsultant agreements awarded hereunder.

6. The Village agrees, and shall cause each of its subconsultants to agree, that no official, employee or agent of the City shall be charged personally by the Village or by its members or its subconsultants with any liability or expenses of defense or be held personally liable to them under any term or provision of this Agreement, or because of the City's execution or attempted execution, or because of any breach hereof.

7. This Agreement shall constitute the entire Agreement between the parties, and no warranties, inducements, considerations, promises or other references shall be implied or impressed upon this Agreement that are not expressly addressed herein.

8. This Agreement is comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

9. No changes, amendments, modifications, cancellation or discharge of this Agreement, or any part hereof, shall be valid unless in writing and signed by the parties hereto, or their respective successors and assigns.

10. This Agreement shall be governed in all respects in accordance with the laws of the State of Illinois.

11. The parties hereby agree to use their best efforts and good faith in the performance of this Agreement and to cooperate with each other in the completion of the Improvement provided for hereunder.

12. The City may terminate this Agreement, or all or any portion of the Improvement or work to be performed, at any time by a notice in writing from the City to the Village if the City in its sole discretion deems that the Improvement is no longer in the best interests of the City or if sufficient funds are not available.

E. Authority.

1. Execution of this Agreement by Village is authorized by ordinance passed by the Village Board on ___________, 1990 and by the City is authorized by an ordinance passed by City Council of City of Chicago on _________ (Council Journal of Proceedings, page _________) as an exercise of the Home Rule authority under Sections 1 and 6(a) Article VII of the 1970 Constitution of the State of Illinois and further in accordance with the Municipal Purchasing Act of cities of 500,000 or more population as contained in the Illinois Municipal Code, Ill. Rev. Stat., Ch. 24, par. 8-10-1, et seq.

In Witness Whereof, The parties hereto have set their hands and seals the day and year written below, and represent that the signatories below are duly authorized to execute this Agreement on behalf of their respective body, and that the effective date of this Agreement is the date approved and executed by the Secretary of the City.

Village of Niles

Attest:	Approved:
____________________	____________________
Village Clerk	Village President
	Date: ____________________

City of Chicago

Department of Public Works

Attest:	Approved:
____________________	____________________
Walter S. Kozubowski, City Clerk	Richard M. Daley, Mayor
	Date: ____________________

EXECUTION OF CITY/STATE PROJECT AGREEMENT FOR RESURFACING OF VARIOUS RESIDENTIAL STREETS.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of an agreement with the State of Illinois for the resurfacing of various streets, in the amount of $12,000,000.00, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The Mayor is authorized to execute, the City Clerk to attest to and the Commissioner of Public Works to approve, subject to the review of the Corporation Counsel as to form and legality, a project agreement with the State of Illinois providing for the resurfacing of various residential streets, described therein, said agreement to be substantially in the following form:

[City/State Project Agreement immediately follows Section 3 of this ordinance.]

SECTION 2. The City Clerk is hereby directed to transmit two (2) certified copies of this ordinance to the Division of Highways, Department of Transportation of the State of Illinois through the District Engineer of District 1 of said Division of Highways.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

City/State Project Agreement attached to this ordinance reads as follows:

City/State Project Agreement

Residential Street Resurfacing -- 1991.

North Area

City Section No.: ________

State Job No.: ________

D.P.W. Project No.: ________

Central Area

City Section No.: _________

State Job No.: _________

D.P.W. Project No.: _________

South Area

City Section No.: _________

State Job No.: _________

D.P.W. Project No.: _________

This Agreement, entered into this _____ day of ___________, 19____, by and between the State of Illinois, acting through its Department of Transportation, hereinafter called the "State", and the City of Chicago, acting through its Department of Public Works, hereinafter called the "City".

Witnesseth:

Whereas, The Department of Transportation of the State, under Chapter 121, Article 4-409 of the Illinois Revised Statutes, as currently in effect, may enter into a written contract with any other highway authority for the jurisdiction, maintenance, administration, engineering or improvement of any highway or portion thereof; and

Whereas, On June 30, 1989, the State and the City entered into a Memorandum of Understanding regarding the funding of a Five-Year Road Program in Chicago, concluding with the end of State Fiscal Year 1994, and the Section 3 Line Item of that Memorandum of Understanding which provides $45,000,000 for City street resurfacing is the basis for the State funds provided under this Agreement; and

Whereas, The State and the City, in the interest of the safe and efficient movement of vehicular traffic, find it necessary to proceed with the resurfacing of an estimated 50 miles of residential streets (approximately one mile in each of the City's 50 Wards), hereinafter referred to as the Project(s), described in Numbered Paragraph 9 and identified in Exhibit A of this Agreement;

The City Hereby Agrees:

1. To prepare, or cause to be prepared, surveys, plans, specifications and estimates of cost for the Project(s) and to submit same for approval by the State.

2. To perform preliminary engineering for the proposed relocation and/or adjustment of City utilities, necessary as part of the Project(s) and to perform force account construction for such items in accordance with the approved plans, specifications and estimates of costs.

3. Subject to the State's authorization and concurrence, to let and award all contracts for the construction and to provide all necessary force account construction and construction engineering/supervision, all in accordance with established procedures of the City and the State.

4. To finance the work pending progressive reimbursement by the State, to appropriate such funds as are necessary therefore, and to prepare a complete and accurate breakdown of costs of the Project(s).

5. To pay any costs in excess of the State's limiting amount, as established in Numbered Paragraph 7 of this Agreement or otherwise provided for by Amendment to this Agreement.

6. To retain all Project records and to make them available for audit by State auditors during the project development and construction stages, and for a period of three (3) years after final acceptance of the Project(s) by the parties hereto.

The State Hereby Agrees:

7. To reimburse the City for one hundred percent (100%) of the City's cost not to exceed a maximum of $12,000,000, as described in Numbered Paragraph 10 of this Agreement, for the Project(s),

upon receipt of billing supported by documentation as required by the State.

8. To review, without delay, all submittals including plans, specifications and estimates, requests for authorization for advertisement of bids, and request for concurrence in the award and approval of contracts for the Project(s).

The Parties Hereto Mutually Agree:

9. That the Project(s) covered by this Agreement will include the following work:

   (a) Using a Heat-In-Place Recycling Machine and/or a cold Milling Machine, rejuvenation and/or removal of the existing asphalt to a depth not to exceed 4 inches.

   (b) Removal and replacement of deteriorated base where designated by the Engineer, using Portland Cement Concrete as replacement material.

   (c) Resurfacing of the recycled or milled area using bituminous concrete.

   (d) Reconstruction of concrete curb, or combination concrete curb and gutter where necessary.

   (e) Adjustment of drainage structures.

10. That the estimated costs of the Project(s) covered and described by this Agreement are:

North Area

D.P.W. Project No.: ________

Wards: 30, 32, 33, 35, 36, 38, 39, 40, 41,

43, 44, 45, 46, 47, 48, 49, 50

Contract Construction	$3,475,000
Force Account Construction	75,000
Construction Engineering/Supervision .... (up to 15% of Contract Construction)	450,000
TOTAL:	$4,000,000

Central Area

D.P.W. Project No.: _________

Wards: 1, 2, 3, 4, 11, 12, 22, 23, 24,

25, 26, 27, 28, 29, 31, 37, 42

Contract Construction	$3,475,000
Force Account Construction	75,000
Construction Engineering/Supervision .... (up to 15% of Contract Construction)	450,000
TOTAL:	$4,000,000

South Area

D.P.W. Project No.: _________

Wards: 5, 6, 7, 8, 9, 10, 13, 14, 15,

16, 17, 18, 19, 20, 21, 34

Contract Construction	$3,475,000
Force Account Construction	75,000
Construction Engineering/Supervision .... (up to 15% of Contract Construction)	450,000
TOTAL:	$4,000,000

11. That, upon completion of the improvement, the City will maintain or cause to be maintained those portions of the improvement under its established jurisdictional authority, in a manner satisfactory to the State and Federal Highway Administration. The State will maintain or cause to be maintained those portions of the improvement under its established jurisdictional authority, in a manner satisfactory to the Federal Highway Administration.

12. That the Commissioner of Public Works is authorized to execute revisions to this Agreement relative to budgetary items, upon approval by the Illinois Department of Transportation, as long as such revisions do not increase the total cost of the Project ($12,000,000) as authorized by the City Council.

13. That this Agreement and the covenants contained herein shall be null and void in the event the contract covering the construction work contemplated herein is not awarded by July 1, 1994.

14. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their successors and assigns.

In Witness Whereof, The "City" and the "State" have caused this Agreement to be executed by their respective officials and attested to on the date hereinafter listed.

Executed by the City of Chicago this ____ day of _________, _____.	The City of Chicago, a municipal corporation

Attest:

______________________________ City Clerk	By: ______________________________ Mayor

Reviewed As To Form And Legality: (subject to proper execution)	Approved:

By: ____________________________
Commissioner,
Department of Public Works

____
Assistant Corporation Counsel

Executed by the State of Illinois
this ____ day of __________, ______.

By: ____________________________
Director of Highways,
Illinois Department of
Transportation

Exhibit "A" attached to this City/State Project Agreement reads as follows:

Exhibit "A".

The following is a ward by ward listing of the 1991 Residential Street Resurfacing Program priorities as submitted by each alderman. Approximately one mile per ward of residential streets will be resurfaced based on these priorities.

Exact locations and mileage are subject to: approval by the Illinois Department of Transportation; coordination with planned utility improvements; and determination of final quantities and other construction costs.

1991 Residential Street Resurfacing Program.

Ward	Street	From	To ....
01	Erie St.	Ashland Av.	Armour St.
01	Armour St.	Ohio St.	Erie St.

Ward	Street	From	To	
01	Armour St.	Erie St.	Huron St.	
01	Bishop St.	Ohio St.	Erie St.	
01	Bishop St.	Erie St.	Huron St.	
01	Loomis St.	Cabrini St.	Arthington St.	
01	Loomis St.	Arthington St.	Taylor St.	
01	Loomis St.	Taylor St.	Fillmore St.	
01	Throop St.	14 St.	14 Pl.	
01	Throop St.	14 Pl.	15 St.	
01	Throop St.	15 St.	Blue Island Av.	
01	14 St.	Loomis St.	Throop St.	
01	14 Pl.	Loomis St.	Throop St.	Alternate.
02	King Dr. (ws service dr.)	42 St.	43 St.	
02	King Dr. (es service dr.)	42 St.	42 Pl.	
02	King Dr. (es service dr.)	42 Pl.	43 St.	
02	King Dr. (ws service dr.)	41 St.	42 St.	
02	King Dr. (es service dr.)	41 St.	Bowen Av.	
02	King Dr. (es service dr.)	Bowen Av.	42 St.	
02	32 St.	King Dr.	Vernon Av.	
02	Vernon Av.	33 St.	33 Pl.	

Ward	Street	From	To	
02	Pershing Rd.	Cottage Grove Av.	Ellis Av.	
02	Pershing Rd.	Ellis Av.	Lake Park Av.	
02	Pershing Rd.	Lake Park Av.	ICG RR	
02	Calumet Av.	26 St.	29 St.	
03	60 Pl.	Frontenac Av.	Normal Blvd.	
03	60 Pl.	Normal Blvd.	Stewart Av.	
03	60 Pl.	Stewart Av.	Princeton Av.	
03	60 St.	Frontenac Av.	Parnell Av.	
03	60 St.	Parnell Av.	Normal Blvd.	
03	60 St.	Normal Blvd.	Eggleston Av.	
03	60 St.	Eggleston Av.	Stewart Av.	
03	60 St.	Stewart Av.	Princeton Av.	
03	Shields Av.	53 St.	54 Pl.	
03	Shields Av.	54 Pl.	Garfield Blvd.	
03	56 Pl.	Dead End	Normal Blvd.	Alternate.
03	56 Pl.	Normal Blvd.	Steward Av.	Alternate
03	Tremont St.	Dead End	Normal Blvd.	Alternate.
03	Tremont St.	Normal Blvd.	Stewart Av.	Alternate.
03	56 St.	Dead End	Normal Blvd.	Alternate.
03	56 St.	Normal Blvd.	Stewart Av.	Alternate.

Ward	Street	From	To	
04	46 St.	Ellis Av.	Greenwood Av.	
04	46 St.	Greenwood Av.	Woodlawn Av.	
04	Forrestville Av.	50 Pl.	Woodlawn Av.	
04	Greenwood Av.	42 Pl.	43 St.	
04	Berkeley Av.	42 Pl.	43 St.	
04	49 Dr.	East End Av.	Chicago Beach Dr.	
04	42 St.	Vincennes Av.	St. Lawrence Av.	
04	42 St.	St. Lawrence Av.	Champlain Av.	
04	42 St.	Champlain Av.	Langley Av.	
04	50 Pl.	Cornell Av.	East End Av.	
04	Langley Av.	Bowen Av.	42 St.	
04	King Dr. (es service dr.)	49 St.	50 St.	
04	King Dr. (es service dr.)	50 St.	51 St.	Alternate.
04	Vincennes Av.	50 St.	50 Pl.	Alternate.
04	Vincennes Av.	50 Pl.	50 St.	Alternate.
04	Evans Av.	48 St.	49 St.	Alternate.

Ward	Street	From	To	
05	Clyde Av.	78 St.	79 St.	
05	Cornell Av.	53 St	54 St.	
05	Cornell Av.	54 St	55 St.	
05	73 St.	Jeffrey Blvd.	Chappel Av.	
05	73 St.	Chappel Av	Clyde Av.	
05	73 St.	Clyde Av.	Merrill Av.	
05	Constance Av.	67 St.	68 St.	
05	Constance Av.	68 St.	69 St.	
05	Constance Av.	69 St.	70 St.	
05	Constance Av.	70 St.	71 St.	
05	Paxton Av.	71 St.	72 St.	Alternate.
05	Kimbark Av.	55 St.	56 St.	Alternate.
05	Kimbark Av.	56 St.	Cul-De-Sac	Alternate.
05	68 St.	South Shore Dr.	Oglesby Av.	Alternate.
05	68 St.	Oglesby Av.	Crandon Av.	Alternate.
05	68 St.	Crandon Av.	Paxton Av.	Alternate.
05	70 St.	Crandon Av.	Paxton Av.	Alternate.
05	Euclid Av.	71 St.	72 St.	Alternate.
05	Harper Av.	62 St.	63 St.	Alternate
05	69 St.	Paxton Av.	Crandon Av.	Alternate.

Ward	Street	From	To	
06	Drexel Av.	76 St.	77 St.	
06	Michigan Av.	87 St.	88 St.	
06	Rhodes Av.	76 St.	77 St.	
06	90 Pl.	Langley Av.	Cottage Grove Av.	
06	Eberhardt	80 St.	81 St.	
06	Michigan Av.	86 St.	87 St.	
06	Ingleside Av.	74 St.	75 St.	
06	Vernon Av.	83 St.	84 St.	
06	Forest Av.	96 St.	97 St.	Alternate.
06	Dante Av.	75 St.	76 St.	Alternate.
06	Drexel Av.	77 St.	78 St.	Alternate.
06	Langley Av.	77 St.	78 St.	Alternate.
07	Essex Av.	83 St.	84 St.	
07	Essex Av.	84 St.	85 St.	
07	Essex Av.	85 St.	86 St.	
07	Essex Av.	86 St.	87 St.	
07	Muskegon Av.	79 St.	80 St.	
07	Muskegon Av.	80 St.	81 St.	
07	Muskegon Av.	81 St.	82 St.	
07	Muskegon Av.	82 St.	83 St.	
07	Mackinaw Av.	83 St.	84 St.	Alternate.
07	Mackinaw Av.	84 St.	85 St.	Alternate.

Ward	Street	From	To	
07	Buffalo Av.	83 St.	84 St.	Alternate.
07	Buffalo Av.	84 St.	85 St.	Alternate.
08	Bennett Av.	86 St.	87 St.	
08	Clyde Av.	77 St.	78 St.	
08	Dante Av.	81 St.	82 St.	
08	Ridgeland Av.	79 St.	80 St.	
08	Avalon Av.	95 St.	95 Pl.	
08	Avalon Av.	95 Pl.	96 St.	
08	Avalon Av.	96 St.	96 Pl.	
08	Avalon Av.	96 Pl.	97 St.	
08	Oglesby Av.	79 St.	80 St.	
08	Oglesby Av.	80 St.	81 St.	
08	Crandon Av.	87 St.	88 St.	Alternate.
08	Crandon Av.	88 St.	89 St.	Alternate.
08	Dobson Av.	97 St.	98 St	Alternate.
08	University Av.	95 St.	96 St.	Alternate.
08	Bennett Av.	87 St.	88 St.	Alternate.
08	Bennett Av.	88 St.	89 St.	Alternate.
09	Eggleston Av.	128 Pl.	129 Pl.	
09	104 St.	King Dr.	Vernon Av.	

Ward	Street	From	To	
09	104 St.	Vernon Av.	Eberhart Av.	
09	104 St.	Eberhart Av.	Rhodes Av.	
09	104 St.	Rhodes Av.	Dauphin Av.	
09	Yale Av.	125 St.	126 St.	
09	Yale Av.	126 St.	127 St.	
09	118 Pl.	Indiana Av.	Michigan Av.	
09	118 Pl.	Michigan Av.	State St.	
09	122 St.	Wentworth Av.	LaSalle St.	Alternate.
09	122 St.	LaSalle St.	Perry Av.	Alternate.
09	122 St.	Perry Av.	Lafayette Av.	Alternate.
09	122 St.	Lafayette Av.	State St.	Alternate.
09	122 St.	State St.	Michigan Av.	Alternate.
09	Lafayette Av.	121 St.	122 St.	Alternate.
09	Lafayette Av.	122 St.	123 St.	Alternate.
10	Houston Av.	91 St.	93 St.	
10	Avenue B	106 St.	107 St.	
10	Avenue B	107 St.	108 St.	
10	Avenue B	108 St.	109 St.	
10	Avenue B	109 St.	110 St.	

Ward	Street	From	To	
10	Avenue G	112 St.	113 St.	
10	Avenue G	113 St.	114 St.	
10	Avenue H	112 St.	113 St.	Alternate.
10	Avenue H	113 St.	114 St.	Alternate.
10	Avenue D	106 St.	107 St.	Alternate.
10	Avenue D	107 St.	108 St.	Alternate.
10	Avenue B	110 St.	111 St.	Alternate.
10	Avenue B	111 St.	112 St.	Alternate.
10	Avenue D	108 St.	109 St.	Alternate.
10	Avenue D	109 St.	110 St.	Alternate.
11	Wallace St.	35 St.	36 St.	
11	Wallace St.	36 St.	37 St.	
11	Wallace St.	37 St.	38 St.	
11	Wallace St.	38 St.	Pershing Rd.	
11	Paulina St.	35 St.	36 St.	
11	Paulina St.	36 St.	37 St.	
11	Paulina St.	37 St.	37 Pl.	
11	Paulina St.	37 Pl.	38 St.	
11	Paulina St.	38 St.	38 Pl.	
11	Paulina St.	38 Pl.	Pershing Rd.	

Ward	Street	From	To	
11	Lyman St.	Throop St.	Farrell St.	Alternate.
11	Lyman St.	Farrell St.	Keeley St.	Alternate.
11	Lyman St.	Keeley St.	Bonfield St.	Alternate.
11	Lyman St.	Bonfield St.	Gratten Av.	Alternate.
11	Lyman St.	Gratten Av.	Elias Ct.	Alternate.
11	Lyman St.	Elias Ct.	Loomis St.	Alternate.
11	Lyman St.	Loomis St.	Haynes Ct.	Alternate.
11	Lyman St.	Haynes Ct.	Arch St.	Alternate.
11	Lyman St.	Arch St.	Lloyd Av.	Alternate.
11	Lyman St.	Lloyd Av.	Lock St.	Alternate.
12	Karlov Av.	43 St.	44 St.	
12	Karlov Av.	44 St.	45 St.	
12	Karlov Av.	45 St.	46 St.	
12	Karlov Av.	46 St.	47 St.	
12	40 St.	California Av.	Francisco Av.	
12	40 St.	Francisco Av.	Sacramento Av.	
12	41 St.	Sacramento Av.	Albany Av.	
12	41 St.	Albany Av.	Kedzie Av.	
12	45 Pl.	Rockwell St.	Western Av.	Alternate.

Ward	Street	From	To	
12	46 Pl.	Rockwell St.	Western Av.	Alternate.
12	Wolcott Av.	36 St.	37 St.	Alternate.
13	65 St.	Pulaski Rd.	Springfield Av.	
13	Kostner Av.	55 St.	56 St.	
13	Kostner Av.	56 St.	57 St.	
13	Kolin Av.	55 St.	56 St.	
13	Kildare Av.	55 St.	56 St.	
13	Kildare Av.	56 St.	57 St.	
13	Tripp Av.	55 St.	56 St.	
13	Tripp Av.	56 St.	57 St.	
13	Keeler Av.	55 St.	56 St.	Alternate.
13	Keeler Av.	56 St.	56 Pl.	Alternate.
13	Keeler Av.	56 Pl.	57 St.	Alternate.
13	63 Pl.	Mayfield Av.	Austin Av.	Alternate.
13	63 Pl.	Menard Av.	Mayfield Av.	Alternate.
13	61 St.	Lawndale Av.	Central Park Av.	Alternate.
13	64 St.	Mayfield Av.	Austin Av.	Alternate.
13	64 St.	Menard Av.	Mayfield Av.	Alternate.

Ward	Street	From	To	
13	64 Pl.	Mayfield Av.	Austin Av.	Alternate.
13	64 Pl.	Menard Ave.	Mayfield Av.	Alternate.
13	Menard Av.	61 St.	62 St.	Alternate.
13	Menard Av.	62 St.	63 St.	Alternate.
13	Mason Av.	61 St.	62 St.	Alternate.
13	Mason Av.	62 St.	63 St.	Alternate.
14	Artesian Av.	51 St.	52 St.	
14	Artesian Av.	52 St.	53 St.	
14	Artesian Av.	53 St.	54 St.	
14	Artesian Av.	54 St.	55 St.	
14	Albany Av.	51 St.	52 St.	
14	Albany Av.	52 St.	53 St.	
14	Albany Av.	53 St.	53 Pl.	
14	Albany Av.	53 Pl.	54 St.	
14	Albany Av.	54 St.	54 Pl.	
14	Albany Av.	54 Pl.	55 St.	
14	Albany Av.	55 St.	56 St.	Alternate.
14	Albany Av.	56 St.	57 St.	Alternate.
14	Albany Av.	57 St.	58 St.	Alternate.
14	Albany Av.	58 St.	59 St.	Alternate.
14	66 Pl.	Spaulding Av.	Homan Av.	Alternate.

Ward	Street	From	To	
14	66 Pl.	Homan Av.	St. Louis Av.	Alternate.
14	63 Pl.	Kedzie Av.	Spaulding Av.	Alternate.
14	63 Pl.	Spaulding Av.	Homan Av.	Alternate.
14	63 Pl.	Homan Av.	St. Louis Av.	Alternate.
14	Maplewood Av.	51 St.	52 St.	Alternate.
14	Maplewood Av.	52 St.	53 St.	Alternate.
14	Maplewood Av.	53 St.	54 St.	Alternate.
14	Maplewood Av.	54 St.	55 St.	Alternate.
14	Francisco Av.	51 St.	52 St.	Alternate.
14	Francisco Av.	52 St.	53 St.	Alternate.
14	Francisco Av.	53 St.	54 St.	Alternate.
14	Francisco Av.	54 St.	55 St.	Alternate.
14	Mozart St.	51 St.	52 St.	Alternate.
14	Mozart St.	52 St.	53 St.	Alternate.
14	Mozart St.	53 St.	54 St.	Alternate.
14	Mozart St.	54 St.	55 St.	Alternate.
14	Mozart St.	55 St.	56 St.	Alternate.
14	Mozart St.	56 St.	57 St.	Alternate.
14	Mozart St.	57 St.	58 St.	Alternate.
14	Mozart St.	58 St.	59 St.	Alternate.

Ward	Street	From	To	
14	Troy St.	51 St.	52 St.	Alternate.
14	Troy St.	52 St.	53 St.	Alternate.
14	Campbell Av.	51 St.	52 St.	Alternate.
14	Campbell Av.	52 St.	53 St.	Alternate.
14	Campbell Av.	53 St.	54 St.	Alternate.
14	Whipple St.	51 St.	52 St.	Alternate.
14	Whipple St.	52 St.	53 St.	Alternate.
15	Rockwell St.	Marquette Rd.	68 St.	
15	Rockwell St.	68 St.	Lithuanian Plaza Ct.	
15	Claremont Av.	65 St.	66 St.	
15	Claremont Av.	66 St.	Marquette Rd.	
15	Honore St.	61 St.	62 St.	
15	Winchester Av.	65 St.	66 St.	
15	Marshfield Av.	63 St.	64 St.	
15	Marshfield Av.	64 St.	65 St.	
15	Paulina St.	54 St.	Garfield Blvd.	Alternate.
15	Honore St.	56 St.	57 St.	Alternate.
15	Hermitage Av.	54 St.	Garfield Blvd.	Alternate.

Ward	Street	From	To	
15	Hermitage Av.	Garfield Blvd.	56 St.	Alternate.
15	Artesian Av.	72 St.	73 St.	Alternate.
15	Artesian Av.	73 St.	74 St.	Alternate.
16	65 St.	Stewart Av.	Eggleston Av.	
16	65 St.	Eggleston Av.	Normal Blvd.	
16	60 St.	Union Av.	Halsted St.	
16	Morgan St.	63 St.	64 St.	
16	Morgan St.	64 St.	65 St.	
16	Ada St.	61 St.	62 St.	
16	Harvard Av.	65 St.	66 St.	
16	Emerald Av.	59 St.	Dead end	
16	Harvard Av.	66 St.	Marquette Rd.	
16	Carpenter St.	63 St.	64 St.	Alternate.
16	Aberdeen St.	63 St.	64 St.	Alternate.
17	Yale Av.	79 St.	80 St.	
17	Yale Av.	80 St.	81 St.	
17	Yale Av.	81 St.	82 St.	

Ward	Street	From	To	
17	Harvard Av.	71 St.	72 St.	
17	Harvard Av.	72 St.	73 St.	
17	Harvard Av.	73 St.	74 St.	
17	Harvard Av.	74 St.	75 St.	
17	Harvard Av.	75 St.	76 St.	
17	Peoria St.	73 St.	74 St.	Alternate.
17	Peoria St.	74 St.	75 St.	Alternate.
17	Ada St.	77 St.	78 St.	Alternate.
17	Ada St.	78 St.	79 St.	Alternate.
17	May St.	75 St.	76 St.	Alternate.
17	May St.	76 St.	77 St.	Alternate.
17	May St.	77 St.	78 St.	Alternate.
17	May St.	78 St.	79 St.	Alternate.
17	Carpenter St.	75 St.	76 St.	Alternate.
17	Carpenter St.	76 St.	77 St.	Alternate.
17	Carpenter St.	77 St.	78 St.	Alternate.
17	Carpenter St.	78 St.	79 St.	Alternate.

Ward	Street	From	To	
18	Marshfield Av.	81 St.	82 St.	
18	Honore St.	86 St.	87 St.	
18	Laflin St.	86 St.	87 St.	
18	Artesian Av.	79 St.	80 St.	
18	Artesian Av.	82 St.	83 St.	
18	Sawyer Av.	82 St.	83 St.	
18	Homan Av.	83 St.	83 Pl.	
18	Homan Av.	83 Pl.	84 St.	
18	81 St.	Cicero Av.	Keating Av.	
18	Tripp Av.	79 St.	79 Pl.	Alternate.
18	Tripp Av.	79 Pl.	81 St.	Alternate.
18	Winchester Av.	76 St.	77 St.	Alternate.
18	Winchester Av.	77 St.	78 St.	Alternate.
18	Winchester Av.	78 St.	79 St.	Alternate.
18	Kolmar Av.	83 Pl.	Scottsdale Av.	Alternate.
18	Kolmar Av.	Scottsdale Av.	84 Pl.	Alternate.
18	Keating Av.	83 St.	84 St.	Alternate.

Ward	Street	From	To	
19	Claremont Av.	91 St.	92 Pl.	
19	Claremont Av.	92 Pl.	94 St.	
19	Claremont Av.	94 St.	95 St.	
19	100 Pl.	Malta St.	Charles St.	
19	100 Pl.	Charles St.	Prospect Av.	
19	93 St.	Damen Av.	Winchester Av.	
19	93 St.	Winchester Av.	Pleasant Av.	
19	93 St.	Pleasant Av.	Longwood Dr.	
19	Maplewood Av.	105 St.	106 St.	Alternate.
19	Maplewood Av.	106 St.	107 St.	Alternate.
19	Springfield Av.	107 St.	107 Pl.	Alternate.
19	Springfield Av.	107 Pl.	108 St.	Alternate.
19	Springfield Av.	108 St.	108 Pl.	Alternate.
19	Springfield Av.	108 Pl.	109 St.	Alternate.
19	Albany Av.	102 Pl.	103 St.	Alternate.
19	Whipple St.	102 Pl.	103 St.	Alternate.
19	Washtenaw Av.	99 St.	100 St.	Alternate.
19	Washtenaw Av.	100 St.	101 St.	Alternate.

Ward	Street	From	To	
19	Washtenaw Av.	101 St.	102 St.	Alternate.
19	Washtenaw Av.	102 St.	103 St.	Alternate.
19	114 Pl.	Longwood Dr.	Lothair Av.	Alternate.
20	62 St.	Ellis Av.	Greenwood Av.	
20	Greenwood Av.	61 St.	62 St.	
20	Greenwood Av.	62 St.	63 St.	
20	Ellis Av.	61 St.	62 St.	
20	Ingleside Av.	63 St.	65 St.	
20	61 St.	Indiana Av.	Prairie Av.	
20	61 St.	Prairie Av.	Calumet Av.	
20	61 St.	Calumet Av.	King Dr.	
20	61St.	King Dr.	Vernon Av.	Alternate.
20	61 St.	Vernon Av.	Eberhart Av.	Alternate.
20	61 St.	Eberhart Av.	Rhodes Av.	Alternate.
20	61 St.	Rhodes Av.	St. Lawrence Av.	Alternate.
20	61 St.	St. Lawrence Av.	Champlain Av.	Alternate.
20	61 St.	Champlain Av.	Langley Av.	Alternate.
20	61 St.	Langley Av.	Evans Av.	Alternate.

Ward	Street	From	To	
20	61 St.	Evans Av.	Cottage Grove Av.	Alternate.
21	Winston Av.	95 St.	97 St.	
21	Ada St.	93 St.	94 St.	
21	Laflin St.	93 St.	94 St.	
21	Laflin St.	94 St.	95 St.	
21	Harvard Av.	97 St.	98 St.	
21	Perry Av.	95 St.	96 St.	
21	Perry Av.	96 St.	97 St.	
21	Indiana Av.	101 St.	102 St.	Alternate.
21	Indiana Av.	102 St.	103 St.	Alternate.
21	101 Pl.	State St.	Michigan Av.	Alternate.
21	Elizabeth St.	93 St.	94 St.	Alternate.
21	Yale Av.	101 St.	102 St.	Alternate.
21	Lowe Av.	99 St.	100 St.	Alternate.
21	Lowe Av.	100 St.	101 St.	Alternate.
21	Union Av.	95 St.	96 St.	Alternate.
21	Union Av.	96 St.	97 St.	Alternate.
21	Union Av.	97 St.	98 St.	Alternate.
21	Union Av.	98 St.	98 Pl.	Alternate.

Ward	Street	From	To	
21	Winchester Av.	87 St.	88 St.	Alternate.
22	Karlov Av.	28 St.	30 St.	
22	25 St.	Hamlin Av.	Avers Av.	
22	25 St.	Avers Av.	Springfield Av.	
22	Kolin Av.	26 St.	27 St.	
22	Millard Av.	25 St.	26 St.	
22	Ridgeway Av.	31 St.	32 St.	
22	Ridgeway Av.	25 St.	26 St.	
22	Millard Av.	23 St.	24 St.	
22	25 Pl.	Kolin Av.	Kildare Av.	
22	Kedvale Av.	28 St.	30 St.	
22	25 St.	Springfield Av.	Harding Av.	Alternate.
22	25 St.	Harding Av.	Pulaski Rd.	Alternate.
23	Keating Av.	47 St.	48 St.	
23	Keating Av.	48 St.	49 St.	
23	Keating Av.	49 St.	50 St.	
23	Keating Av.	50 St.	51 St.	
23	Keating Av.	51 St.	Archer Av.	
23	Keating Av.	Archer Av.	53 St.	

Ward	Street	From	To	
23	Kilpatrick Av.	47 St.	48 St.	
23	Kilpatrick Av.	48 St.	49 St.	
23	Kilpatrick Av.	49 St.	50 St.	Alternate.
23	Kilpatrick Av.	50 St.	51 St.	Alternate.
23	Kilpatrick Av.	51 St.	Archer Av.	Alternate.
23	50 Pl.	Ridgeway Av.	Cul-de-sac	Alternate.
24	Avers Av.	16 St.	15 St.	
24	Avers Av.	15 St.	14 St.	
24	Lawndale Av.	16 St.	18 St.	
24	Lawndale Av.	18 St.	19 St.	
24	Lawndale Av.	19 St.	Ogden Av.	
24	Trumbull Av.	Ogden Av.	18 St.	
24	Trumbull Av.	18 St.	16 St.	
24	Trumbull Av.	16 St.	15 St.	
24	Trumbull Av.	15 St.	Douglas Blvd.	
24	Drake Av.	Ogden Av.	Cermak Rd.	Alternate.
24	Fillmore Av.	Springfield Av.	Pulaski Rd.	Alternate.
24	Troy St.	Roosevelt Rd.	13 St.	Alternate.

Ward	Street	From	To	
24	St. Louis Av.	21 St.	Cermak Rd.	Alternate.
24	St. Louis Av.	Douglas Blvd.	15 St.	Alternate.
24	St. Louis Av.	15 St.	16 St.	Alternate.
25	Rockwell St.	25 St.	25 Pl.	
25	Rockwell St.	25 Pl.	26 St.	
25	Cullerton St.	Throop St.	Loomis St.	
25	Cullerton St.	Loomis St.	Laflin St.	
25	Morgan St.	19 St.	Cullerton St.	
25	Wood St.	18 St.	18 Pl.	
25	Wood St.	18 Pl.	19 St.	
25	18 Pl.	Ashland Av.	Marshfield Av.	
25	18 Pl.	Marshfield Av.	Paulina St.	
25	18 Pl.	Paulina St.	Wood St.	
25	Fairfield Av.	19 St.	21 St.	
25	Washtenaw Av.	25 St.	25 Pl.	Alternate.
25	Washtenaw Av.	25 Pl.	26 St.	Alternate.
26	Francisco Av.	Walton St.	Augusta Blvd.	
26	Francisco Av.	Augusta Blvd.	Cortez St.	

Ward	Street	From	To	
26	Iowa St.	Rockwell St.	Washtenaw Av.	
26	Iowa St.	Washtenaw Av.	Fairfield Av.	
26	Iowa St.	Fairfield Av.	California Av.	
26	Walton St.	Rockwell St.	Washtenaw Av.	
26	Homer St.	Rockwell St.	Washtenaw Av.	
26	Cortland St.	Rockwell St.	Talman Av.	
26	Cortland St.	Talman Av.	Washtenaw Av.	
26	Mozart St.	Bloomingdale Av.	Cortland St.	
26	Haddon Av.	Wood St.	Honore St.	
26	Humboldt Blvd.	Wabansia Av.	Bloomingdale Av.	Alternate.
26	Humboldt Blvd.	Bloomingdale Av.	Cortland St.	Alternate.
27	Monroe St.	Campbell Av.	Rockwell St.	
27	Drake Av.	Huron St.	Chicago Av.	
27	Trumbull Av.	Huron St.	Chicago Av.	
27	Monroe St.	Washtenaw Av.	California Av.	
27	St. Louis Av.	Huron St.	Chicago Av.	

Ward	Street	From	To	
27	Race Av.	Leavitt St.	Oakley Blvd.	
27	Race Av.	Hoyne Av.	Leavitt St.	
27	Race Av.	Wood St.	Wolcott Av.	
28	Kildare Av.	Harrison St.	Flournoy St.	
28	Kildare Av.	Flournoy St.	Lexington St.	
28	Kildare Av.	Lexington St.	Fifth St.	
28	Tripp Av.	Harrison St.	Fifth St.	
28	Kedvale Av.	Harrison St.	Fifth St.	
28	Kolmar Av.	Lexington Av.	Polk St.	
28	Kolmar Av.	Polk St.	Fifth St.	
28	Kilpatrick Av.	Lexington St.	Polk St.	
28	Kilpatrick Av.	Polk St.	Arthington St.	
28	Kilpatrick Av.	Arthington St.	Fifth St.	
28	Maypole Av.	Kostner Av.	Kenneth Av.	
28	Maypole Av.	Kenneth Av.	Kilbourn Av.	
28	Maypole Av.	Kilbourn Av.	Kolmar Av.	
28	Maypole Av.	Kolmar Av.	Kenton Av.	
28	West End Av.	Karlov Av.	Keeler Av.	Alternate.

Ward	Street	From	To	
28	West End Av.	Keeler Av.	Kildare Av.	Alternate.
28	Kildare Av.	Washington Blvd.	West End Av.	Alternate.
28	Kildare Av.	West End Av.	Maypole Av.	Alternate.
28	Kildare Av.	Maypole Av.	Fulton St.	Alternate.
28	Adams St.	St. Louis Av.	Central Park Av.	Alternate.
28	Monticello Av.	Ferdinand St.	Railroad	Alternate.
29	Waller Av.	Division St.	Potomac Av.	
29	Waller Av.	Potomac Av.	Hirsch St.	
29	Waller Av.	Hirsch St.	LeMoyne St.	
29	Waller Av.	LeMoyne St.	North Av.	
29	Parkside Av.	Division St.	Potomac Av.	
29	Parkside Av.	Potomac Av.	Hirsch St.	
29	Parkside Av.	Hirsch St.	LeMoyne St.	
29	Parkside Av.	LeMoyne St.	North Av.	
29	Monroe St.	Laramie Av.	Lockwood Av.	Alternate.
29	Monroe St.	Lockwood Av.	Lotus Av.	Alternate.
29	Monroe St.	Lotus Av.	Central Av.	Alternate.
30	Lockwood Av.	Fullerton Av.	Montana St.	
30	Lockwood Av.	Montana St.	Altgeld St.	

Ward	Street	From	To	
30	Karlov Av.	Cortland St.	Armitage Av.	
30	Deming Pl.	Cicero Av.	Lamon Av.	
30	McLean Av.	Kildare Av.	Kostner Av.	
30	Linder Av.	Diversey Av.	George St.	
30	Kildare Av.	Palmer St.	Belden Av.	
30	Keating Av.	Belmont Av.	School St.	
30	Parkside Av.	Palmer St.	Belden Av.	
30	Kilpatrick Av.	Schubert Av.	Parker Av.	Alternate.
30	Kilpatrick Av.	Parker Av.	Diversey Av.	Alternate.
30	Deming Pl.	Lavergne Av.	Leclaire Av.	Alternate.
31	Karlov Av.	Augusta Blvd.	Thomas St.	
31	Karlov Av.	Thomas St.	Division St.	
31	Lowell Av.	North Av.	Wabansia Av.	
31	Cortland St.	Hamlin Av.	Springfield Av.	
31	Cortland St.	Kedzie Av.	Sawyer Av.	
31	Cortland St.	Sawyer Av.	Spaulding Av.	
31	Springfield Av.	North Av.	Wabansia Av.	
31	Springfield Av.	Wabansia Av.	Bloomingdale Av.	
31	Springfield Av.	Bloomingdale Av.	Cortland St.	

Ward	Street	From	To	
31	Springfield Av.	Cortland St. Av.	Armitage Av.	Alternate.
31	Cortland St.	Central Park Av.	Monticello Av.	Alternate.
31	Cortland St.	Monticello Av.	Lawndale Av.	Alternate.
31	Cortland St.	Lawndale Av.	Ridgeway Av.	Alternate.
31	Cortland St.	Ridgeway Av.	Hamlin Av.	Alternate.
31	Cortland St.	Springfield Av.	Harding Av.	Alternate.
31	Cortland St.	Harding Av.	Pulaski Rd.	Alternate.
31	Pierce Av.	Kedzie Av.	Spaulding Av.	Alternate.
31	Pierce Av.	Spaulding Av.	Homan Av.	Alternate.
31	Pierce Av.	Homan Av.	St. Louis Av.	Alternate.
31	Pierce Av.	St. Louis Av.	Central Park Av.	Alternate.
31	LeMoyne St.	Kedzie Av.	Spaulding Av.	Alternate.
31	LeMoyne St.	Spaulding Av.	Homan Av.	Alternate.
31	LeMoyne St.	Homan Av.	St. Louis Av.	Alternate.
31	LeMoyne St.	St. Louis Av.	Central Park Av.	Alternate.
31	Potomac Av.	Pulaski Rd.	Karlov Av.	Alternate.
31	Potomac Av.	Karlov Av.	Keeler Av.	Alternate.
31	Potomac Av.	Keeler Av.	Kildare Av.	Alternate.

Ward	Street	From	To	
32	Wolcott Av.	Nelson St.	Wellington Av.	
32	Wolcott Av.	Wellington Av.	Oakdale Av.	
32	Oakdale Av.	Wolcott Av.	Damen Av.	
32	Belden Av.	Janssen Av.	Greenview Av.	
32	Greenview Av.	North Av.	LeMoyne St.	
32	Paulina St.	Augusta Blvd.	Walton St.	
32	Paulina St.	Walton St.	Pearson St.	
32	Paulina St.	Pearson St.	Chicago Av.	
32	Oakley Av.	Fullerton Av.	Medill Av.	
32	Oakley Av.	Medill Av.	Belden Av.	
32	Oakley Av.	Belden Av.	Lyndale Av.	
32	Belden Av.	Western Av.	Oakley Av.	
32	Wellington Av.	Wolcott Av.	Damen Av.	Alternate.
32	Hoyne Av.	Wabansia Av.	St. Paul Av.	Alternate.
32	Hoyne Av.	St. Paul Av.	Willow St.	Alternate.

Ward	Street	From	To	
32	Hoyne Av.	Willow St.	Churchill St.	Alternate.
32	Wilmont Av.	Hoyne St.	Dead End	Alternate.
32	Wood St.	North Av.	Wabansia Av.	Alternate.
32	Rice St.	Leavitt St.	Oakley Blvd.	Alternate.
32	Rice St.	Oakley Blvd.	Western Av.	Alternate.
32	Cleaver St.	Blackhawk St.	LeMoyne St.	Alternate.
33	Maplewood Av.	Diversey Av.	George St.	
33	Rockwell St.	Diversey Av.	George St.	
33	Rockwell St.	George St.	Wellington Av.	
33	George St.	Kennedy Expwy.	Washtenaw Av.	
33	George St.	Washtenaw Av.	Talman Av.	
33	George St.	Talman Av.	Rockwell St.	
33	George St.	Rockwell St.	Maplewood Av.	
33	George St.	Maplewood Av.	Campbell Av.	
33	Washtenaw Av.	Elston Av.	Barry Av.	
33	Washtenaw Av.	Barry Av.	Fletcher St.	

Ward	Street	From	To	
33	Washtenaw Av.	Fletcher St.	Belmont Av.	
33	Barry Av.	Francisco Av.	California Av.	
33	Francisco Av.	Fullerton Av.	Altgeld St.	Alternate.
33	Francisco Av.	Altgeld St.	Logan Blvd.	Alternate.
33	Francisco Av.	Wellington Av.	Nelson St.	Alternate.
33	Francisco Av.	Nelson St	Barry Av.	Alternate.
33	Francisco Av.	Barry Av.	Fletcher St.	Alternate.
33	Francisco Av.	Fletcher St.	Belmont Av.	Alternate.
33	Oakley Av.	School St.	Roscoe St.	Alternate.
33	Leavitt St.	Oakdale Av.	Clybourn Av.	Alternate.
33	Leavitt St.	Clybourn Av.	BarryAv.	Alternate.
33	Leavitt St.	Barry Av.	Fletcher St.	Alternate.
33	Leavitt St.	Fletcher St.	Belmont Av.	Alternate.
34	Parnell Av.	115 St.	116 St.	
34	110 St.	Princeton Av.	CWI RR.	
34	114 St.	State St.	Perry Av.	
34	114 St.	Perry Av.	Wentworth Av.	
34	Sangamon St.	107 St.	Peoria St.	

Ward	Street	From	To	
34	Sangamon St.	Peoria St.	108 St.	
34	108 Pl.	Wentworth Av.	Princeton Av.	
34	108 Pl.	Princeton Av.	CWI RR.	
34	113 Pl.	Racine Av.	Elizabeth St.	
34	113 Pl.	Elizabeth St.	Throop St.	
34	113 Pl.	Throop St.	Ada St.	Alternate.
34	113 Pl.	Ada St.	Loomis St.	Alternate.
34	123 St.	Peoria St.	Sangamon St.	Alternate.
34	123 St.	Sangamon St.	Morgan St.	Alternate.
34	123 St.	Morgan St.	Carpenter St.	Alternate.
34	123 St.	Carpenter St.	Aberdeen St.	Alternate.
34	123 St.	Aberdeen St.	May St.	Alternate.
34	123 St.	May St.	Racine Av.	Alternate.
34	123 St.	Racine Av.	Elizabeth St.	Alternate.
34	123 St.	Elizabeth St.	Throop St.	Alternate.
34	123 St.	Throop St.	Ada St.	Alternate.
34	123 St.	Loomis St.	Bishop St.	Alternate.
34	123 St.	Bishop St.	Laflin St.	Alternate.

Ward	Street	From	To	
35	Avers Av.	Berteau Av.	Cullom Av.	
35	Lowell Av.	Barry Av.	Belmont Av.	
35	Karlov Av.	Barry Av.	Fletcher St.	
35	Karlov Av.	Fletcher St.	Belmont Av.	
35	Kildare Av.	Roscoe St.	Cornelia Av.	
35	Kildare Av.	Cornelia Av.	Milwaukee Av.	
35	Eddy St.	Hamlin Av.	Springfield Av.	
35	Eddy St.	Springfield Av.	Pulaski Rd.	
35	Cornelia Av.	Pulaski Rd.	Karlov Av.	
35	Wellington Av.	Pulaski Rd.	Karlov Av.	Alternate.
35	Kenneth Av.	Cullom Av.	Montrose Av.	Alternate.
35	Sawyer Av.	Irving Park Rd.	Belle Plaine Av.	Alternate.
35	Waveland Av.	Kilpatrick Av.	Cicero Av.	Alternate.
35	Cornelia Av.	Hamlin Av.	Avers Av.	Alternate.
35	Cornelia Av.	Avers Av.	Springfield Av.	Alternate.
35	Cornelia Av.	Springfield Av.	Harding Av.	Alternate.
35	Cornelia Av.	Harding Av.	Pulaski Rd.	Alternate.
35	Lawndale Av.	Belle Plaine Av.	Berteau Av.	Alternate.

Ward	Street	From	To	
35	Lawndale Av.	Berteau Av.	Cullom Av.	Alternate.
35	Cuyler Av.	Spaulding Av.	Kimball Av.	Alternate.
35	Avers Av.	Parkview Tr.	Byron St.	Alternate.
35	Parker Av.	Kildare Av.	Kostner Av.	Alternate.
35	Lowell Av.	Roscoe St.	Cornelia Av.	Alternate.
35	Lowell Av.	Cornelia Av.	Addison St.	Alternate.
35	Fletcher St.	Karlov Av.	Tripp Av.	Alternate.
36	New England Av.	Shakespeare Av.	Dickens Av.	
36	Natoma Av.	Armitage Av.	Cortland St.	
36	Natoma Av.	Cortland St.	Bloomingdale Av.	
36	McVicker Av.	George St.	Wellington Av.	
36	Wellington Av.	Austin Av.	McVicker Av.	
36	Wellington Av.	McVicker Av.	Meade Av.	
36	Wellington Av.	Meade Av.	Moody Av.	
36	Melvina Av.	Wellington Av.	Nelson St.	
36	Melvina Av.	Nelson St.	Barry Av.	
36	Melvina Av.	Barry Av.	Fletcher St.	
36	Melvina Av.	Fletcher St.	Belmont Av.	
36	George St.	McVicker Av.	Austin Av.	

Ward	Street	From	To	
36	Nagle Av.	Cortland St.	Bloomingdale Av.	Alternate.
36	Parkside Av.	Wellington Av.	Barry Av.	Alternate.
36	Parkside Av.	Barry Av.	Belmont Av.	Alternate.
36	Major Av.	Wellington Av.	Barry Av.	Alternate.
36	Major Av.	Barry Av.	Belmont Av.	Alternate.
36	Marmora Av.	Diversey Av.	Schubert Av.	Alternate.
36	Marmora Av.	Schubert Av.	Wrightwood Av.	Alternate.
36	Mason Av.	Diversey Av.	Schubert Av.	Alternate.
36	Mason Av.	Schubert Av.	Wrightwood Av.	Alternate.
36	Barry Av.	Austin Av.	Meade Av.	Alternate.
36	Barry Av.	Meade Av.	Melvina Av.	Alternate.
36	Newland Av.	Altgeld St.	Wrightwood Av.	Alternate.
37	Ferdinand St.	Pine Av.	Long Av.	
37	Ferdinand St.	Long Av.	Lockwood Av.	
37	Ferdinand St.	Lockwood Av.	Laramie Av.	
37	Ferdinand St.	Laramie Av.	Leamington Av.	

Ward	Street	From	To	
37	Ferdinand St.	Leamington Av.	Leclaire Av.	
37	Ferdinand St.	Leclaire Av.	Lawler Av.	
37	Ferdinand St.	Lawler Av.	Lavergne Av.	
37	Ferdinand St.	Lavergne Av.	Lamon Av.	
37	Ferdinand St.	Lamon Av.	Cicero Av.	
37	Huron St.	Lavergne Av.	Lamon Av.	
37	Huron St.	Lamon Av.	Cicero Av.	Alternate.
37	Maypole Av.	LaCrosse Av.	Cicero Av.	Alternate.
37	LaCrosse Av.	West End Av.	Maypole Av.	Alternate.
37	Laporte Av.	West End Av.	Maypole Av.	Alternate.
38	Meade Av.	Grace St.	Warwick Av.	
38	Meade Av.	Warwick Av.	Waveland Av.	
38	Meade Av.	Waveland Av.	Patterson Av.	
38	Meade Av.	Patterson Av.	Addison St.	
38	School St.	Oak Park Av.	Newcastle Av.	
38	School St.	Newcastle Av.	New England Av.	

Ward	Street	From	To	
38	School St.	New England. Av.	Newland Av.	
38	Long Av.	Berteau Av.	Hutchinson St.	
38	Long Av.	Hutchinson St.	Cullom Av.	
38	Long Av.	Cullom Av.	Pensacola Av.	
38	Long Av.	Pensacola Av.	Montrose Av.	
38	Belle Plaine Av.	Melvina Av.	Cul-de-sac	
38	School St.	Austin Av.	Meade Av.	
38	School St.	Meade Av.	Melvina Av.	
38	School St.	Melvina Av.	Mobile Av.	Alternate.
38	School St.	Mobile Av.	Narragansett Av.	Alternate.
39	Avers Av.	Rogers Av.	Granville Av.	
39	Avers Av.	Granville Av.	Rosemont Av.	
39	Avers Av.	Rosemont Av.	Devon Av.	
39	Spaulding Av.	Montrose Av.	Sunnyside Av.	
39	Spaulding Av.	Sunnyside Av.	Wilson Av.	

Ward	Street	From	To	
39	Spaulding Av.	Wilson Av.	Eastwood Av.	
39	Spaulding Av.	Eastwood Av.	Leland Av.	
39	Spaulding Av.	Leland Av.	Lawrence Av.	
39	Carmen Av.	Drake Av.	St. Louis Av.	
39	Carmen Av.	St. Louis Av.	Bernard St.	
39	Carmen Av.	Bernard St.	Kimball Av.	
39	Lemont Av.	Ionia Av.	Sauganash Av.	Alternate.
39	Central Park Av.	Glenlake Av.	Granville Av.	Alternate.
40	Francisco Av.	Foster Av.	Farragut Av.	
40	Francisco Av.	Farragut Av.	Berwyn Av.	
40	Francisco Av.	Berwyn Av.	Summerdale Av.	
40	Francisco Av.	Summerdale Av.	Balmoral Av.	
40	Francisco Av.	Balmoral Av.	Rascher Av.	
40	Francisco Av.	Rascher Av.	Catalpa Av.	
40	Francisco Av.	Catalpa Av.	Gregory Av.	
40	Francisco Av.	Gregory St.	Bryn Mawr Av.	
40	Maplewood Av.	Bryn Mawr Av.	Hollywood Av.	

Ward	Street	From	To	
40	Maplewood Av.	Hollywood Av.	Ardmore Av.	
40	Maplewood Av.	Ardmore Av.	Thorndale Av.	
40	Maplewood Av.	Thorndale Av.	Peterson Av.	
40	Wilson Av.	Rockwell St.	Virginia Av.	Alternate.
40	Wilson Av.	Virginia Av.	Chicago River	Alternate.
40	Wilson Av.	Chicago River	Manor Av.	Alternate.
40	Berwyn Av.	Hoyne Av.	Leavitt St.	Alternate.
40	Berwyn Av.	Leavitt St.	Bell Av.	Alternate.
40	Berwyn Av.	Bell Av.	Oakley Av.	Alternate.
40	Berwyn Av.	Oakley Av.	Bowmanville Av.	Alternate.
40	Berwyn Av.	Bowmanville Av.	Western Av.	Alternate.
41	Rosedale Av.	Oleander Av.	Ardmore Av.	
41	Osceola Av.	Higgins Av.	Olcott Av.	
41	Osceola Av.	Olcott Av.	Seminole St.	
41	Osceola Av.	Seminole St.	Ardmore Av.	
41	Octavia Av.	Higgins Av.	Gregory St.	
41	Octavia Av.	Gregory St.	Catalpa Av.	
41	Octavia Av.	Catalpa Av.	Rascher Av.	
41	Chester Av.	Argyle St.	Winnemac Av.	

Ward	Street	From	To	
41	Chester Av.	Winnemac Av.	Carmen Av.	
41	Chester Av.	Carmen Av.	Winona St.	
41	Chester Av.	Winona St.	St. Joseph Av.	
41	Chester Av.	St. Joseph Av.	Foster Av.	
41	Myrtle Av.	Harlem Av.	Neva Av.	
41	Everell Av.	Harlem Av.	Odell Av.	
41	Mendota Av.	Caldwell Av.	Leoti Av.	Alternate.
41	Nashville Av.	Devon Av.	Imlay St.	Alternate.
41	Nashville Av.	Imlay St.	Dead End	Alternate.
41	Meade Av.	Touhy Av.	McVicker Av.	Alternate.
41	Meade Av.	McVicker Av.	Sherwin Av.	Alternate.
41	McVicker Av.	Meade Av.	Sherwin Av.	Alternate.
41	Sherwin Av.	Meade Av.	McVicker Av.	Alternate.
42	Superior St.	Wabash Av.	Rush St.	
42	Dearborn St.	Division St.	Goethe St.	
42	Dearborn St.	Goethe St.	Schiller St.	
42	Dearborn St.	Schiller St.	Burton Pl.	
42	Dearborn Pkwy.	Burton Pl.	North Blvd.	

Ward	Street	From	To	
42	Stone St.	Goethe St.	Scott St.	
42	Stone St.	Scott St.	Division St.	
42	Pearson St.	alley west of State St.	State St.	
42	Pearson St.	State St.	Wabash Av.	
42	Pearson St.	Wabash Av.	Rush St.	
42	Pearson St.	Rush St.	Michigan Av.	
42	Cambridge Av.	Elm St.	Division St.	Alternate.
43	State Pkwy.	North Blvd.	Burton Pl.	
43	State Pkwy.	Burton Pl.	Schiller St.	
43	Poe St.	Kenmore Av.	Maud St.	
43	Sedgwick St.	Wisconsin St.	Armitage Av.	
43	Sedgwick St.	Menomonee St.	Wisconsin St.	
43	Sedgwick St.	Willow St.	Menomonee St.	
43	Sedgwick St.	Eugenie St.	Willow St.	
43	Sedgwick St.	Concord Pl.	Eugenie St.	
43	Sedgwick St.	North Av.	Concord Pl.	
43	Janssen Av.	Diversey Pkwy.	Dead end	
43	Clifton Av.	Webster Av.	Dickens Av.	Alternate.

Ward	Street	From	To	
43	Clifton Av.	Dickens Av.	Armitage Av.	Alternate.
43	Racine Av.	Dickens Av.	Armitage Av.	Alternate.
44	Commonwealth Av.	Diversey Pkwy.	Surf St.	
44	Surf St.	Commonwealth Av.	Sheridan Rd.	
44	Barry Av.	Halsted St.	Wilton Av.	
44	Barry Av.	Wilton Av.	Sheffield Av.	
44	Barry Av.	Sheffield Av.	Kenmore Av.	
44	Barry Av.	Kenmore Av.	Seminary Av.	
44	Barry Av.	Seminary Av.	Clifton Av.	
44	Barry Av.	Clifton Av.	Racine Av.	
44	School St.	Clark St.	Wilton Av.	
44	School St.	Wilton Av.	Sheffield Av.	
44	Melrose St.	Racine Av.	Lakewood Av.	
44	Melrose St.	Lakewood Av. Av.	Southport Av.	Alternate.
44	Wilton Av.	Belmont Av.	School St.	Alternate.
45	Lawler Av.	Wilson Av.	Avondale Av.	
45	Laporte Av.	Sunnyside Av.	Wilson Av.	

Ward	Street	From	To	
45	Kostner Av.	Wilson Av. .	Leland Av.	
45	Kostner Av.	Elston Av.	Lawrence Av.	
45	Nashville Av.	Argyle St.	300 feet north	
45	Natchez Av.	Argyle St.	300 feet north	
45	Neenah Av.	Argyle St.	300 feet north	
45	Gunnison Av.	Cicero Av.	Lamon Av.	
45	Leland Av.	Marmora Av.	Austin Av.	
45	Giddings St.	Milwaukee Av.	London Av.	Alternate.
45	Giddings St.	London Av.	Long Av.	Alternate.
45	Giddings St.	Long Av.	Lotus Av.	Alternate.
45	Giddings St.	Lotus Av.	Linder Av.	Alternate.
45	Giddings St.	Linder Av.	Luna Av.	Alternate.
45	Giddings St.	Luna Av.	Central Av.	Alternate.
45	Lipps Av.	Lawrence Av.	Ainslie St.	Alternate.
45	Ainslie St.	Lipps Av.	Milwaukee Av.	Alternate.
45	Mulligan Av.	Balmoral Av.	Catalpa Av.	Alternate.

Ward	Street	From	To	
46	Dover St.	Leland Av.	Lawrence Av.	
46	Malden St.	Leland Av.	Lawrence Av.	
46	Magnolia Av.	Wilson Av.	Leland Av.	
46	Magnolia Av.	Leland Av.	Lawrence Av.	
46	Leland Av.	Magnolia Av.	Racine Av.	
46	Warner Av.	Greenview Av.	Southport Av.	
46	Belle Plaine Av.	Ashland Av.	Greenview Av.	
46	Belle Plaine Av.	Greenview Av.	Southport Av.	
46	Cuyler Av.	Greenview Av.	Southport Av.	Alternate.
46	Waveland Av.	Sheffield Av.	Wilton Av.	Alternate.
47	Artesian Av.	Addison St.	Waveland Av.	
47	Berenice Av.	Western Av.	Campbell Av.	
47	Windsor Av.	Rockwell Av.	Virginia Av.	
47	Sunnyside Ave.	Rockwell Av.	Chicago River	
47	Hamilton Av.	Grace St.	Byron St.	

Ward	Street	From	To	
47	Hamilton Av.	Byron St.	Irving Park Rd.	
47	Wolcott Av.	Wilson Av.	Leland Av.	
47	Wolcott Av.	Leland Av.	Lawrence Av.	
47	Oakley Av.	Roscoe St.	Cornelia Av.	Alternate.
47	Oakley Av.	Cornelia Av.	Addison St.	Alternate.
47	Oakley Av.	School St.	Roscoe St.	Alternate.
47	Wilson Av.	Western Av.	Artesian Av.	Alternate.
47	Wilson Av.	Artesian Av.	Campbell Av.	Alternate.
47	Wilson Av.	Campbell Av.	Maplewood Av.	Alternate.
47	Wilson Av.	Maplewood Av.	Rockwell St.	Alternate.
47	Wilson Av.	Rockwell St.	Virginia Av.	Alternate.
47	Wilson Av.	Virginia Av.	Chicago River	Alternate.
48	Glenwood Av.	Glenlake Av.	Hood Av.	
48	Greenview Av.	Glenlake Av.	Hood Av.	
48	Elmdale Av.	Glenwood Av.	Greenview Av.	
48	Thorndale Av.	Glenwood Av.	Greenview Av.	

Ward	Street	From	To	
48	Kenmore Av.	Leland Av.	Lawrence Av.	
48	Magnolia Av.	Lawrence Av.	Gunnison St.	
48	Magnolia Av.	Gunnison St.	Ainslie St.	
48	Magnolia Av.	Ainslie St.	Argyle St.	
48	Wayne Av.	Foster Av.	Berwyn Av.	
48	Wayne Av.	Berwyn Av.	Balmoral Av.	
49	Elmdale Av.	Magnolia Av.	Lakewood Av.	
49	Elmdale Av.	Lakewood Av.	Glenwood Av.	
49	Elmdale Av.	Broadway	Magnolia Av.	
49	Farwell Av.	Wolcott Av.	Ridge Bv.	
49	Fargo Av.	Greenview Av.	Ashland Av.	
49	Fargo Av.	Ashland Av.	Paulina St.	
49	Sherwin Av.	Sheridan Rd.	Greenview Av.	
49	Sherwin Av.	Dead End	Sheridan Rd.	
49	Touhy Av.	Dead End	Sheridan Rd.	
49	Greenleaf Av.	Sheridan Rd.	Glenwood Av.	Alternate.

Ward	Street	From	To	
49	Greenleaf Av.	Glenwood Av.	Greenview Av.	Alternate.
49	Greenleaf Av.	Dead End	Sheridan Rd.	Alternate.
49	Lakewood Av.	Arthur Av.	Loyola Av.	Alternate.
49	Lakewood Av.	Loyola Av.	Albion Av.	Alternate.
49	Glenwood Av.	Pratt Blvd.	Columbia Av.	Alternate.
49	Glenwood Av.	Columbia Av.	North Shore Av.	Alternate.
50	Fairfield Av.	Devon Av.	Arthur Av.	
50	Fairfield Av.	Arthur Av.	Albion Av.	
50	Fairfield Av.	Albion Av.	North Shore Av.	
50	Fairfield Av.	North Shore Av.	Pratt Blvd.	
50	Washtenaw Av.	Devon Av.	Arthur Av.	
50	Washtenaw Av.	Arthur Av.	Albion Av.	
50	Washtenaw Av.	Albion Av.	North Shore Av.	
50	Washtenaw Av.	North Shore Av.	Pratt Blvd.	
50	Talman Av.	Devon Av.	Arthur Av.	Alternate.
50	Talman Av.	Arthur Av.	Albion Av.	Alternate.

Ward	Street	From	To	
50	Talman Av.	Albion Av.	North Shore Av.	Alternate.
50	Talman Av.	North Shore Av.	Pratt Blvd.	Alternate.
50	Maplewood Av.	Devon Av.	Arthur Av.	Alternate.
50	Maplewood Av.	Arthur Av.	Albion Av.	Alternate.
50	Maplewood Av.	Albion Av.	North Shore Av.	Alternate.
50	Maplewood Av.	North Shore Av.	Pratt Blvd.	Alternate.
50	Campbell Av.	Devon Av.	Arthur Av.	Alternate.
50	Campbell Av.	Arthur Av.	Albion Av.	Alternate.
50	Campbell Av.	Albion Av.	North Shore Av.	Alternate.
50	Campbell Av.	North Shore Av.	Pratt Blvd.	Alternate.
50	Artesian Av.	Devon Av.	Arthur Av.	Alternate.
50	Artesian Av.	Arthur Av.	Albion Av.	Alternate.
50	Artesian Av.	Albion Av.	North Shore Av.	Alternate.
50	Artesian Av.	North Shore Av.	Pratt Blvd.	Alternate.

EXECUTION OF CITY/STATE PROJECT AGREEMENT FOR MODERNIZATION OF TRAFFIC SIGNALS AT INTERSECTION OF EAST 55TH STREET AND SOUTH DR. MARTIN LUTHER KING, JR. DRIVE.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of an agreement between the City of Chicago and the State of Illinois for the modernization of traffic signals at the intersection of East 55th Street and South Dr. Martin Luther King, Jr. Drive, in the amount of $230,000.00, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The Mayor is authorized to execute, the City Clerk to attest to and the Commissioner of Public Works to approve, subject to the review of the Corporation Counsel as to form and legality, a project agreement with the State of Illinois providing for the modernization of traffic signals at the intersection of 55th Street with King Drive described therein, said agreement to be substantially in the following form:

[City/State Project Agreement immediately follows Section 3 of this ordinance.]

SECTION 2. The City Clerk is hereby directed to transmit two (2) certified copies of this ordinance to the Division of Highways, Department of Transportation of the State of Illinois through the District Engineer of District 1 of said Division of Highways.

SECTION 3. This ordinance shall be in force and effect from and after its passage.

City/State Project Agreement attached to this ordinance reads as follows:

City/State Project Agreement.

The Modernization Of Traffic Signals

At The Intersection

Of 55th Street (F.A.U. 1505) With King Drive.

Federal Project No.: __________

City Section No.: __________

State Job No.: __________

D.P.W. Project No.: __________

This Agreement, entered into this _____ day of __________, 19___, by and between the State of Illinois, acting through its Department of Transportation, hereinafter called the "State", and the City of Chicago, acting through its Department of Public Works, hereinafter called the "City".

Witnesseth:

Whereas, The Department of Transportation of the State of Illinois, under Chapter 121, Article 4-409 of the Illinois Revised Statutes, as currently in effect, may enter into a written contract with any other highway authority for the jurisdiction, maintenance, administration, engineering or improvement of any highway or portion thereof; and

Whereas, The State and the City, in the interest of the safe and efficient movement of vehicular and pedestrian traffic, find it necessary to improve the intersection of 55th Street with King Drive hereinafter referred to as the "Project" and described in Paragraph 11 of this Agreement; and

Whereas, On June 30, 1989, the State and the City entered into a Memorandum of Understanding regarding the funding of a Five-Year Road Program in Chicago, concluding with the end of State Fiscal Year 1994, and that Memorandum provides the basis for the State funds provided under this Agreement; and

Whereas, The State and the City wish to avail themselves, where possible, of the Federal-Aid Urban System funds authorized by the Surface Transportation and Uniform Relocation Assistance Act of 1987 or subsequent federal legislation for the contract construction, force account construction and the construction engineering/supervision of said Project; and

Whereas, The City is proceeding with studies and engineering required for the Project; and

Whereas, Under the federal regulations, certain written agreements for the Project may be required.

The State Hereby Agrees:

1. To reimburse the City for 100% of the non-federal (State) and federal shares of the costs incurred in connection with the contract construction, force account construction, and construction engineering/supervision of the Project, as

hereinafter provided in numbered paragraph 12, upon receipt of progressive billings supported by documentation as required by the State and Federal Highway Administration.

2. To review, approve and submit to the Federal Highway Administration without delay, all submittals which require Federal Highway Administration review, approval or other action.

The City Hereby Agrees:

3. To prepare, or cause to be prepared, studies, surveys, plans, specifications and estimates of cost for said Project.

4. Upon approval from the State to let and award the contract for the Project, and/or to provide or cause to be provided, all force account construction and construction engineering/supervision, all in accordance with established procedures of the City, the State and the Federal Highway Administration.

5. To finance the work pending progressive reimbursement by the State of the federal and non-federal (State) shares of costs, to appropriate such funds as are necessary therefore, and to prepare a complete and accurate breakdown of the costs of the Project.

6. To comply with all applicable Executive Orders and federal legislation pursuant to the Equal Employment Opportunity and Nondiscrimination Regulations as may be required by the State and under federal law.

7. That failure on the part of the City to fulfill its responsibilities assigned in Numbered Paragraphs 6 and 10 of this Agreement may render the City ineligible for future federal participation in projects for which the City has similar responsibilities, until such failures are corrected.

8. To retain all Project records and to make them available for audit by State and federal auditors during the Project development and construction stages, and for a period of three (3) years after final acceptance of the Project.

The Parties Hereto Mutually Agree:

9. That prior to initiation of work to be performed hereunder, the disposition of encroachments will be cooperatively determined by representatives of the City and State.

10. That, upon completion of the improvement, the City and the State will maintain or cause to be maintained, in a manner satisfactory to the State and Federal Highway Administration, its portions of the improvement. The State will maintain or cause to be maintained its portion of the completed improvement in a manner satisfactory to the Federal Highway Administration. The City and the State will both do this in accordance with established jurisdictional authority.

11. That said Project generally consists of the modernization of traffic control signals at the intersection of 55th Street with King Drive. The existing outmoded traffic signals will be upgraded and/or replaced with new signals which will conform to existing recommendations and agreements of the Illinois Manual of Uniform Traffic Control Devices. All other appurtenances necessary to complete the Project will also be provided.

12. That the estimated costs of the Project covered and described by this Agreement are as follows:

Force Account Construction	$200,000
Construction Engineering/Supervision	30,000
TOTAL:	$230,000

and that based upon the current ratio of federal to non-federal (State) funds for Federal-Aid Urban System projects, the proportional participation for the Project will be:

Federal-Aid Share (F.A.U.) (75% of $230,000)	$172,500
Non-Federal Share (State) (25% of $230,000)	57,500
TOTAL:	$230,000

and that based upon said ratio, State financial participation (referred to herein as the non-federal share) shall be limited to a maximum of $57,500 with any non-federal share required in excess of that amount to be provided by the City, or by Amendment to this Agreement.

13. *That the City shall be responsible for 100% of the cost of any* work not eligible for federal participation.

14. That standard federal-aid procedures and requirements shall apply to all phases of this Project.

15. That the Commissioner of Public Works is authorized to execute revisions to this Agreement relative to budgetary items, upon approval by the State, as long as such revisions do not increase the total cost of the Project ($230,000) as authorized by the City Council.

16. That this Agreement and the covenants contained herein shall be void ab initio in the event the contract covering the construction work contemplated herein is not awarded and/or the force account construction work is not authorized by January 1, 1993.

17. That all prior Agreements, or portions thereof, between the City and the State which refer to the construction of this Project are superseded by this Agreement.

This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

In Witness Whereof, The "City" and the "State" have caused this Agreement to be executed by their respective officials and attested to on the date hereinafter listed.

Executed by the City of Chicago
this ____ day of __________, ____.

The City of Chicago,
a municipal corporation

Attest:

____
City Clerk

By: ______________________________
Mayor

Reviewed As To Form And Legality:
(subject to proper execution)

Approved:

By: _________________________
Commissioner,
Department of Public Works

____
Assistant Corporation Counsel

Executed by the State of Illinois this ____ day of __________, ______.

By: _________________________
Director of Highways,
Illinois Department of Transportation

EXECUTION OF STIPULATED AGREEMENT WITH STATE OF ILLINOIS FOR IMPROVEMENT OF RAILROAD GRADE CROSSING SAFETY DEVICES AT KOLIN, KILDARE AND TRIPP AVENUE RAILROAD CROSSINGS.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of an agreement between the City of

Chicago and the State of Illinois for the installation of automatic warning devices at the Kolin Avenue, Kildare Avenue and Tripp Avenue railroad crossings, in the amount of $137,000.00, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, There exists within the City of Chicago three (3) railroad crossings, at grade, located at South Kolin, Kildare and Tripp Avenues near 53rd Street; and

WHEREAS, Said crossings consist of single sets of tracks at said locations upon which freight trains are operated by the Belt Railway Company of Chicago; and

WHEREAS, The Railroad Engineering Staff of the Illinois Commerce Commission has determined, after proper investigation, that the current highway-grade crossing protection consisting of railroad crossbuck warning signs are inadequate and unsafe due to increases in highway and train movements and the increase in speed of said movements and due to the reduction in sight distances occasioned by the construction of piers and columns for the Southwest Transit Line; and

WHEREAS, The Illinois Commerce Commission has initiated its Stipulated Agreement process, in accordance with the law, whereby it has provided for a significant improvement of the existing crossing protection at South Kolin, Kildare and Tripp Avenues by proposing the removal of the crossbuck warning signs and replacing the same with automatic flashing lights with twelve inch (12") signal units at each location with a total estimated cost of $137,000.00; and

WHEREAS, The Commission is committed to utilize the Grade Crossing Protection Fund of the State of Illinois to pay eighty-five percent (85%) of the total project cost or $116,450.00 with the City to contribute ten percent (10%) of the project cost not to exceed $13,700.00 and the remaining project cost to be borne by the Belt Railway including all expenses of future maintenance and operation of the newly installed signals; and

WHEREAS, The Stipulated Agreement, which is attached hereto and made a part hereof, requires that the same be executed by the Commissioner of the Department of Public Works to give it legal effect; and

WHEREAS, The Stipulated Agreement has been reviewed and approved as to form and legality by the Office of the Corporation Counsel; now, therefore,

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

SECTION 1. The City of Chicago's Commissioner of the Department of Public Works is hereby authorized and directed to execute the Stipulated Agreement for the improvement of railroad grade crossing safety devices at the highway-railroad crossings at Kolin, Kildare and Tripp Avenues within the City of Chicago.

SECTION 2. This ordinance shall be in full force and effect by and from the date of its passage.

Stipulated Agreement attached to this ordinance reads as follows:

State of Illinois

Illinois Commerce Commission

Stipulated Agreement.

This agreement made and entered into, by and between the State of Illinois acting by and through the Illinois Commerce Commission, hereinafter referred to as the "Commission", The Belt Railway Company of Chicago, hereinafter referred to as the "Company", the City of Chicago, hereinafter referred to as the "City", and the State of Illinois, Department of Transportation, hereinafter referred to as the "Department".

Witnesseth:

Whereas, It has come to the attention of the Commission that inquiry should be made into the matter of improving public safety at the crossings of the Company's track with public highways known as Kolin Avenue, Kildare Avenue and Tripp Avenue located in the City of Chicago, Cook County, Illinois, designated respectively as crossings D.O.T. 869 217R, milepost .44E, D.O.T. 869 216J, milepost .49E and D.O.T. 869 215C, milepost .56E; and

Whereas, Proper investigation has been made of the circumstances surrounding the aforesaid crossings by a staff member of the Commission's Transportation Division, Railroad Section; and

Whereas, The physical aspects, including geometrics of the intersections, train movements, vehicular traffic volumes, and sight distances and all other pertinent data relating to the crossings have been obtained and are shown on Exhibits A, A-1 and A-2, attached to the agreement; and

Whereas, The parties are mutually agreeable to accomplish the proposed improvements upon a determination of the Commission by order;

Now, Therefore, In consideration of the premises and of the mutual covenants and agreements as hereinafter contained the parties pray that the Commission enter an order according to the provisions of Section 18c-7401 of the Illinois Commercial Transportation Law requiring that certain improvements as hereinafter stated be made and that the cost for the proposed improvements be divided among the parties according to law and that in the interest of the statewide traveling public the Grade Crossing Protection Fund of the Motor Fuel Tax Law be required to bear a substantial portion of the cost; To wit the parties agree as follows:

Section 1. All improvements encompassed by this agreement shall be made in accordance with all applicable State laws, rules, standards, regulations and orders and procedures in general.

Section 2. The parties are of the opinion that the proper improvements in the interest of public safety at the aforesaid crossings should be:

Kolin Avenue, Chicago, Illinois
(A.A.R./D.O.T. 869 217R, Milepost .44E)

(a) Install automatic flashing light signals with 12-inch signal units.

Kildare Avenue, Chicago, Illinois
(A.A.R./D.O.T. 869 216J, Milepost .49E)

(a) Install automatic flashing light signals with 12-inch signal units.

Tripp Avenue, Chicago, Illinois
(A.A.R./D.O.T. 869 215C, Milepost .56E)

(a) Install automatic flashing light signals with 12-inch signal units.

Section 3. The Company has prepared preliminary estimates of cost to accomplish the proposed improvements which it may be required to perform, said estimates are attached as Exhibits B, B-1 and B-2, and shall upon order according to the requirements contained therein prepare detailed drawings, detailed circuit plans, estimates of cost and any required specifications for the proposed improvements for the approval of the Commission and Department.

Section 4. The Company shall upon order, according to the requirements contained therein, proceed toward the completion of the proposed improvements, accomplishing the work with its own forces or appropriate contracted services and agrees that an appropriate time for the submission of plans should be one hundred twenty (120) days, for the submission of progress reports should be six (6) months and for the completion of the proposed improvements should be twelve (12) months, from the date of Commission order subsequent to this agreement.

Section 5. The parties hereto agree that an equitable division of cost for the proposed improvements should be:

A. The cost for the installation of the automatic warning devices at Kolin Avenue, Kildare Avenue and Tripp Avenue, hereinbefore estimated to be $137,001.00, should be allocated 85% of the actual costs not to exceed $116,451.00 to the Grade Crossing Protection Fund, 10% of the actual cost not to exceed $13,700.00 to the City of Chicago and the remaining installation cost as well as all future maintenance cost thereof should be borne by the Company.

Section 6. The City is financially able and willing to bear an equitable portion of the cost for the proposed improvements as may be assigned by the order and indicates this intent by Resolution attached as Exhibit D.

Section 7. Special Provisions. The City of Chicago should be granted permission to maintain the existing grade of the south approach of Tripp Avenue to the track and granted a variance from 92 Ill. Adm. Code 1535.204, since the approach grade if improved would create problems with the grades of close residential driveways and water run off.

Section 8. This agreement shall be binding upon the parties hereto, their successors or assigns. Upon execution of this agreement by all parties, the Commission shall enter an appropriate order, within 60 days accepting or rejecting such stipulation according to the provisions contained herein.

In Witness Whereof, The parties have caused this agreement to be executed by their duly authorized officers, as of the dates indicated herein.

Executed by the Commission this 20th day of September, 1990.

(Signed) Bernard L. Morris
Chief Railroad Engineer

Attest:

(Signed) Henry Humphries

Executed by the ____
(City, Township, County)
this _____ day of ____________, 19___.

Attest:

By: ________________________
(Title)

____

[Exhibits "A", "A-1" and "A-2" attached to this Stipulated Agreement printed on pages 27655 through 27666 of this Journal.]

Exhibits "B", "B-1", "B-2" and "D" attached to this Stipulated Agreement reads as follows:

Exhibit "B".

Install automatic flashing light signals with 12-inch signal units.

Illinois Commerce Commission Stipulated Agreement

Preliminary Signal Cost Estimate.

Kolin Avenue, Chicago, Illinois.

Date: August 30, 1990 Agreement No.: 457

The cost to accomplish the signal related improvements contemplated in Section 2 of this Agreement is estimated to be $45,667.00 .

General Item Costs.

Material	$18,320.00
Transportation	$ 916.00
Labor	$ 9,656.00
Labor Additives	$ 7,720.00
Equipment Rental	$ 1,267.00
Engineering	#
Contingencies	$ 3,788.00
Other Insulated Joints	$ 4,000.00
TOTAL:	$45,667.00

-- included in material cost.

Exhibit "B-1".

Install automatic flashing light signals with 12-inch signal units.

Illinois Commerce Commission Stipulated Agreement

Preliminary Signal Cost Estimate.

Kildare Avenue, Chicago, Illinois.

Date: August 30, 1990 Agreement No.: 457

The cost to accomplish the signal related improvements contemplated in Section 2 of this Agreement is estimated to be $45,667.00.

General Item Costs.

Material	$18,320.00
Transportation	$ 916.00
Labor	$ 9,656.00
Labor Additives	$ 7,720.00
Equipment Rental	$ 1,267.00
Engineering	#
Contingencies	$ 3,788.00
Other Insulated Joints	$ 4,000.00
TOTAL:	$45,667.00

-- included in material costs.

Exhibit "B-2".

Install automatic flashing light signals with 12-inch signal units.

Illinois Commerce Commission Stipulated Agreement

Preliminary Signal Cost Estimate.

Tripp Avenue, Chicago, Illinois.

Date: August 30,1990 Agreement No.: 457

The cost to accomplish the signal related improvements contemplated in Section 2 of this Agreement is estimated to be $45,667.00 .

General Item Costs.

Material	$18,320.00
Transportation	$ 916.00
Labor	$ 9,656.00
Labor Additives	$ 7,720.00
Equipment Rental	$ 1,267.00
Engineering	#
Contingencies	$ 3,788.00
Other Insulated Joints	$ 4,000.00
TOTAL:	$45,667.00

-- included in material cost.

Exhibit "D".

Illinois Commerce Commission Stipulated Agreement.

Date: ______________________ Agreement No.: 457

The ____
(Board or Council of City, County, et cetera)
meeting on __________________________________ Resolved to authorize
(Date)
____
(Name, Office)
to act as its designated agent in the processing of this Stipulated Agreement and that the ____
(Township, City, County)
is financially willing and able to bear the costs for the proposed improvements as may be assigned to its according to the terms of this Agreement.

EXECUTION OF CITY/STATE PROJECT AGREEMENT FOR IMPROVEMENT OF MICHIGAN AVENUE BRIDGE OVER CHICAGO RIVER AND ADJOINING VIADUCT.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of an agreement between the City of Chicago and the the State of Illinois for the improvement of the Michigan Avenue Drawbridge over the Chicago River, in the amount of $22,100,000.00, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

(Continued on page 27667)

(Sub)Exhibit "A".

State Of Illinois

Illinois Commerce Commission

Stipulated Agreement Survey Form.

R.R./Line: B.R.C.; Milepost: 0.44E; Inventory Number: 869217 R; City: Chicago; Street: Kolin Avenue; County: Cook; Jurisdiction: Local; Urban: X; Rural: __; Commercial: __; Residential: X; Street Surface: Asphalt; Width: 30 feet; Condition: Good; Angle: 60°; Tracks Tangent: X; Degree of Curve: ____; Superelevation: ____; Depth of Cut: ____________; Height of Fill: 2 feet.

Crossing Surface.

Track Centers	Elevation	Track	Type	Width	Condition
		Main	T. & A.	32 feet	Good
____	____	____	____	____	____
____	____	____	____	____	____
____	____	____	____	____	____
117 feet	____	Abandoned IHB Main	FDT	32 feet	Good

Intersecting Roads: 100 feet 53rd Street; 200 feet ____;
Traffic Control Devices Present: ____;
ADT: 15,700 1% Track; Speed: 30 m.p.h. (Posted); Statewide: Yes;
Schoolbuses: Possible; Hazardous Materials: Possible; Other: Emergency Vehicles; Rail Traffic: Feet, 7 at 10 m.p.h.; Pass: - at - m.p.h.; Switch Yes;
Simultaneous Movements: No; Daylight and Dark: Yes;
Present Protection: Crossbucks;
Advance Warning Signs: Yes (1); Pavement Marking: No.

Visibility Study.

Quad	Clearing Visibility	Obstruction	Stopping Visibility	Obstruction
N.E.		One Way Street		
N.W.		One Way Street		
S.E.	±1,300 feet	#	75 feet★	Trees in prkwy. & house
S.W.	±420 feet	Small brush at curb#	65 feet★	house
	10 M.P.H. -- 176 feet			200 feet/94 feet

Adequate for current train speed.

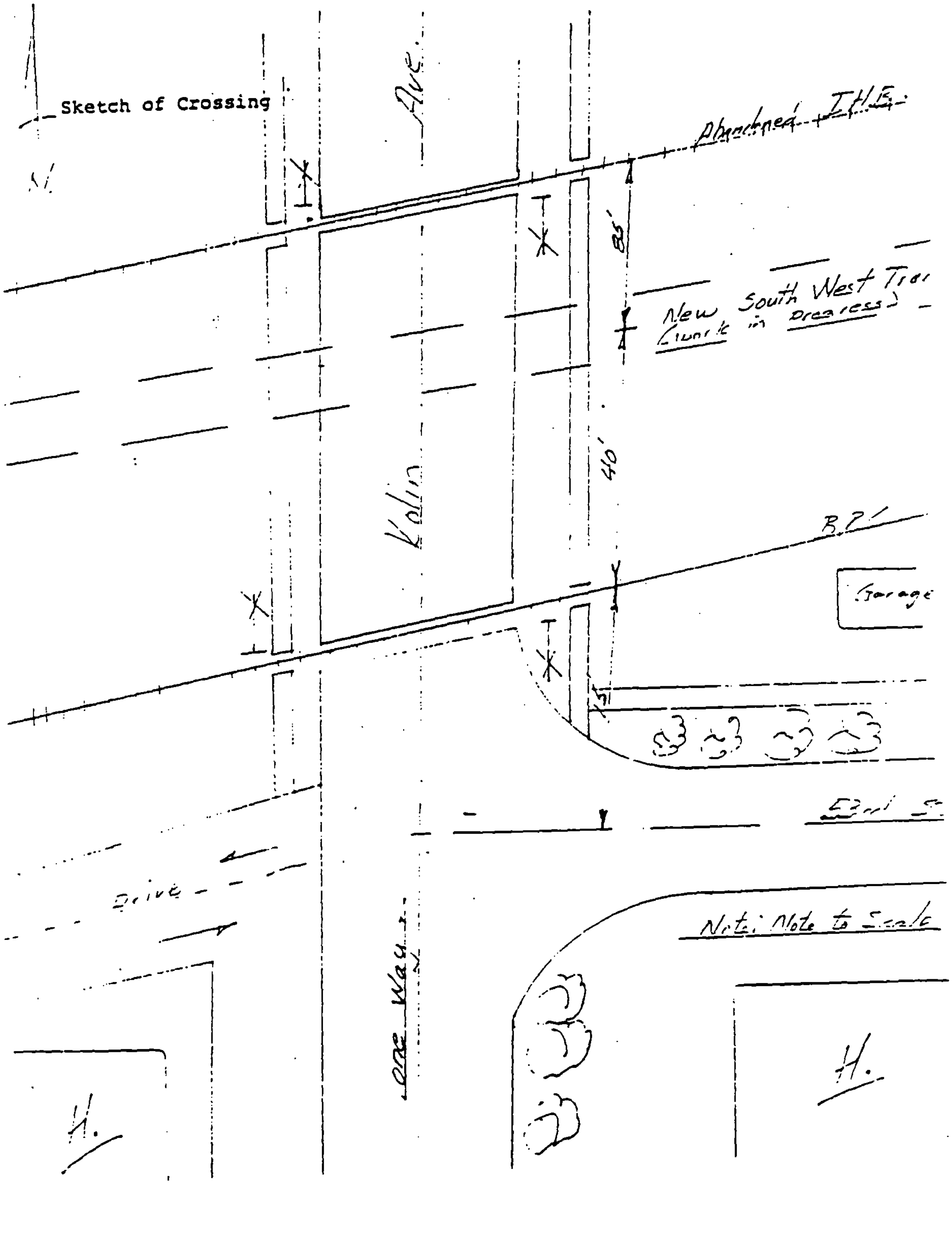
Approach Grades.

North Approach:	*	feet	*	%	*	feet	*	%	*	feet	*	%
South Approach:	*	feet	*	%	*	feet	*	%	*	feet	*	%

* Meets 92 Ill. Adm. Code 1535.

Comments: ★ Inadequate for current train and highway speeds.

Exhibit A



(Sub)Exhibit "A-1".

State Of Illinois

Illinois Commerce Commission

Stipulated Agreement Survey Form.

R.R./Line: B.R.C. ; Milepost: 49E ; Inventory Number: 869216-J ; City: Chicago ; Street: Kildare Avenue ; County: Cook ; Jurisdiction: Local; Urban: X ; Rural: __; Commercial: __; Residential: X ; Street Surface: Asphalt ; Width: 31 feet curb ; Condition: Good ; Angle: 60°; Tracks Tangent: Yes; Degree of Curve: ____; Superelevation: __; Depth of Cut: __________; Height of Fill: 18 inches -- 24 inches .

Crossing Surface.

Track Centers	Elevation	Track	Type	Width	Condition
		Main	T. & A.	35 feet	Fair/Good
117 feet		Abandoned IHB Main	FDT	35 feet	Good

Intersecting Roads: 100 feet Pvt. Ent. ; 200 feet 53rd Street ;
Traffic Control Devices Present: Stop Signs 53rd Street ;
ADT: 954 1% Truck ; Speed: 30 m.p.h. ; Statewide: Yes ;
Schoolbuses: Possible; Hazardous Materials: Possible; Other: Emergency Vehicles; Rail Traffic: Feet, 7 at 10 m.p.h.; Pass: -at- m.p.h.; Switch: ____ ;
Simultaneous Movements: No ; Daylight and Dark: Yes ;
Present Protection: Crossbucks
Advance Warning Signs: Yes ; Pavement Marking: No .

Visibility Study.

Quad	Clearing Visibility	Obstruction	Stopping Visibility	Obstruction
N.E.	OK #		**	**
N.W.	OK #		**	**
S.E.		One Way Street		
S.W.		One Way Street		
	10 M.P.H. -- 176 feet			200 feet/94 feet

Adequate for current train speed.

** Stopping visibility is broken up due to elevator piers for southwest transit project. Driver of highway vehicle has to look at a given spot to see between piers; contend with parked cars on both sides of street and children in area playing since this is a residential area.

Approach Grades.

North Approach: ___*___ feet ___*___ % ___*___ feet ___*___ % ___*___ feet ___*___ %

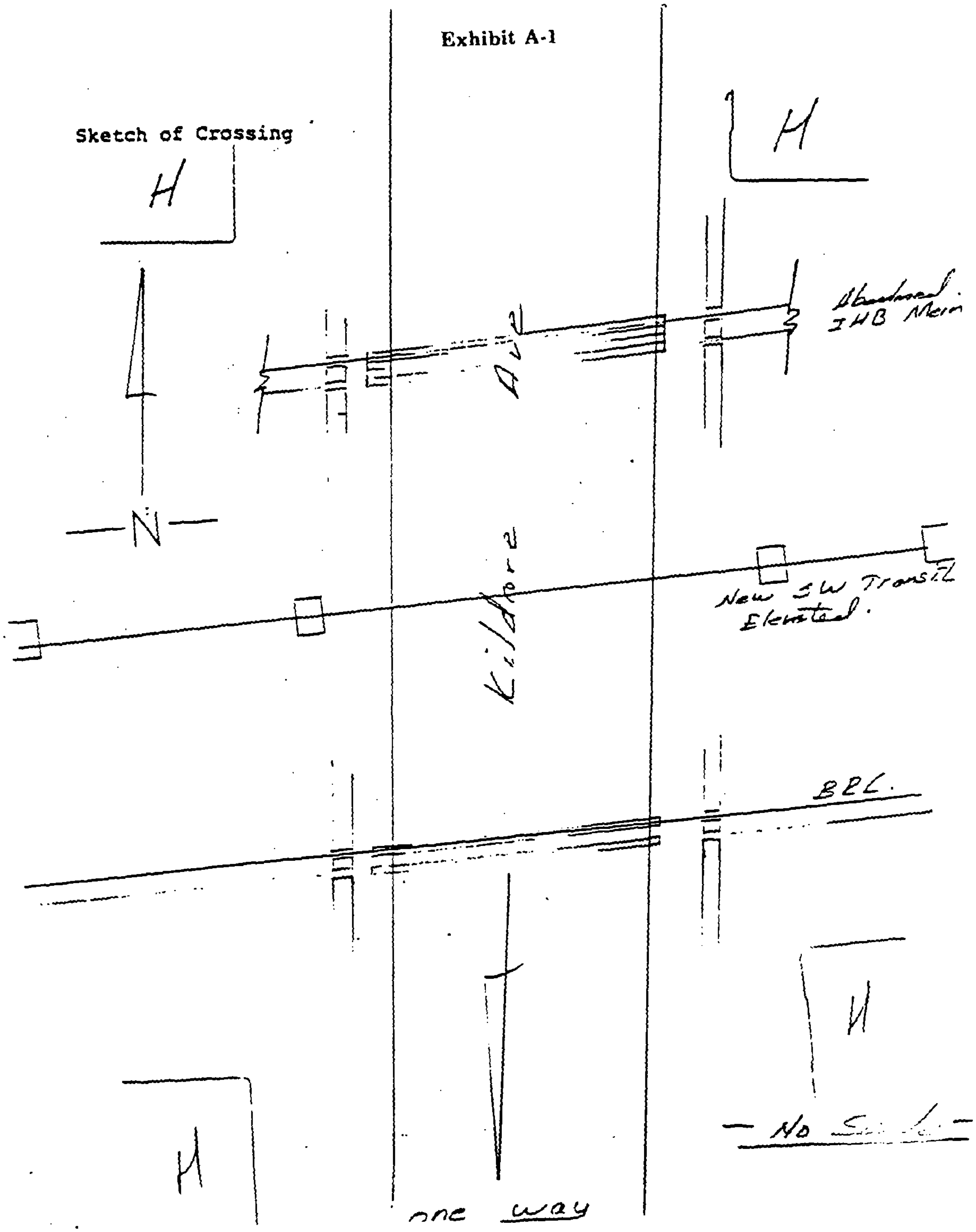
South Approach: ___*___ feet ___*___ % ___*___ feet ___*___ % ___*___ feet ___*___ %

Comments: One-way traffic southbound. Heavy construction in area with southwest transit line.

* Meets 92 Ill. Adm. Code 1535.

Exhibit A-1

Sketch of Crossing



(Sub)Exhibit "A-2".

State Of Illinois

Illinois Commerce Commission

Stipulated Agreement Survey Form.

R.R./Line: B.R.L.; Milepost: 56E; Inventory Number: 869215-C; City: Chicago; Street: Tripp Avenue; County: Cook; Jurisdiction: Local; Urban: X; Rural: ___; Commercial: ___; Residential: X; Street Surface: Asphalt; Width: 30 feet from curb; Condition: Good; Angle: 60°; Tracks Tangent: Yes; Degree of Curve: ___; Superelevation: ___; Depth of Cut: ___; Height of Fill: 18 inches -- 24 inches.

Crossing Surface.

Track Centers	Elevation	Track	Type	Width	Condition
		Main	T. & A.	34 feet	Fair
___	___				
		___	___	___	___
___	___				
		___	___	___	___
___	___				
		___	___	___	___
117 feet	___	Abandoned IHB Main	FDT	34 feet	Good

Intersecting Roads: 100 feet Pvt. Ent. 200 feet 52nd Street;
Traffic Control Devices Present: Stop signs at 52nd Street;
ADT: 872 1% Track; Speed: 30 m.p.h.; Statewide: Yes;
Schoolbuses: Possible; Hazardous Materials: Possible; Other: Emergency Vehicles; Rail Traffic: Feet, 7 at 10 m.p.h.; Pass: -at- m.p.h.; Switch ______; Simultaneous Movements: No; Daylight and Dark: Yes;
Present Protection: Crossbucks;
Advance Warning Signs: Yes; Pavement Marking: No.

Visibility Study.

200 feet/94 feet

Obstruction	Stopping Visibility	Obstruction
One-Way Street		
One-Way Street		
OK	60 feet ★	House
OK	60 feet ★	House

__________ in speed

Approach Grades.

* feet	* %	* feet	* %	* feet	* %
25 feet	5.66 %	50 feet	1.66 %	feet	%

* Meets 92 Ill. Adm. Code 1535.

* * * Road is one-way northbound.

* * * Heavy construction in area with southwest

* * * transit line.

* * * Current train and highway speeds.

* * * South highway approach grade cannot

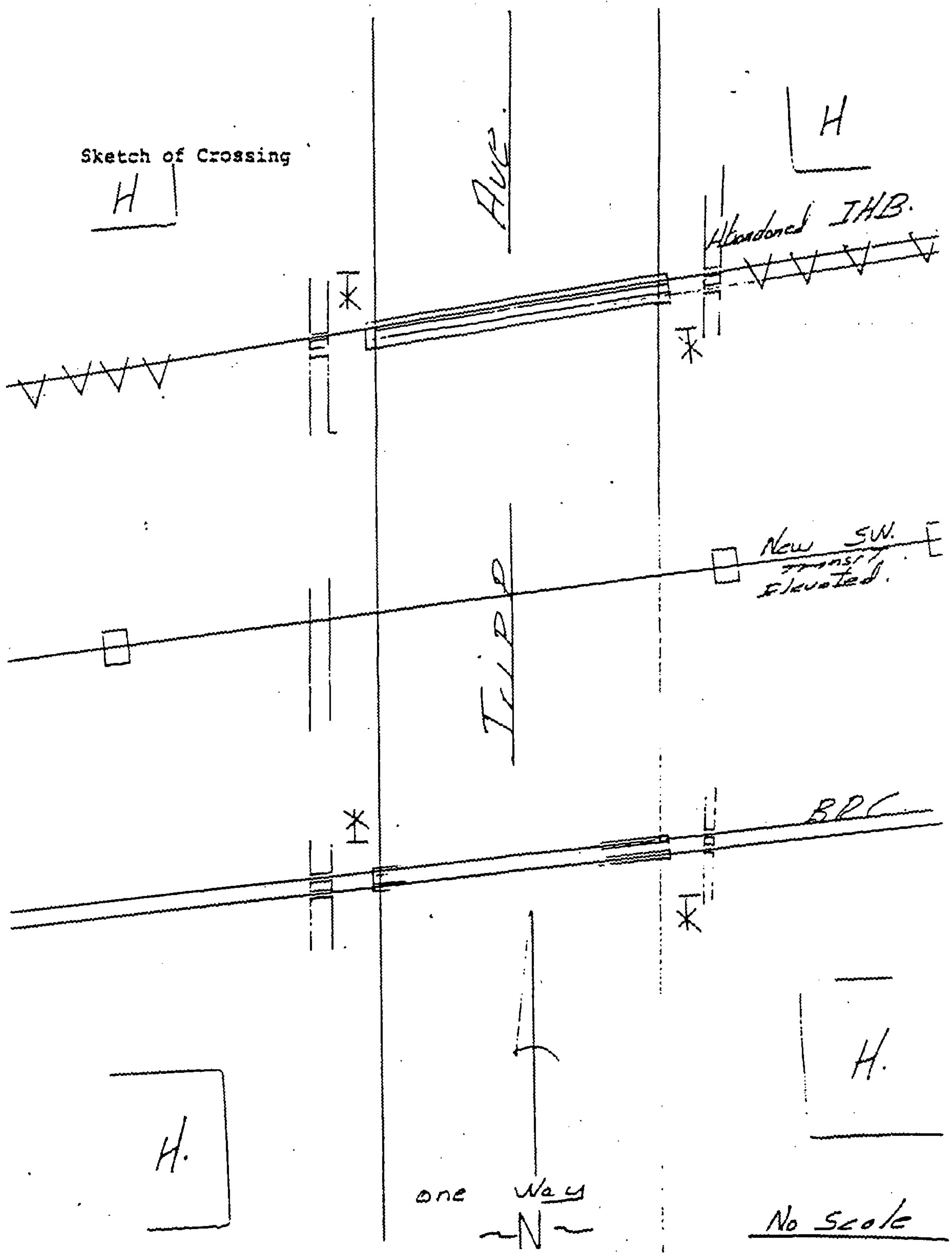
* * * to meet 92 Ill. Adm. Code 1535 because

* * * residential driveways. Curbs and gutters and creation

* * * water run off problems.

* * * Original document illegible.

Exhibit A-2



Sketch of Crossing
H
Ave.
H
Abandoned IHB.
New SW.
Elevated.
I.L.P.P.
BRC
H.
H.
one Way
N
No Scale

(Continued from page 27654)

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke then requested that the record reflect the said passed ordinance was transmitted to the Mayor, who affixed his signature to said ordinance at 10:49 A.M.

The following is said ordinance as passed:

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

SECTION 1. The Mayor is authorized to execute, the City Clerk to attest to and the Commissioner of Public Works to approve, subject to the review of the Corporation Counsel as to form and legality, a project agreement with the State of Illinois providing for the improvement of the Michigan Avenue Bridge over the Chicago River, and the adjoining viaduct described therein, said agreement to be substantially in the following form:

[City/State Project Agreement immediately follows
Section 3 of this ordinance.]

SECTION 2. The City Clerk is hereby directed to transmit two (2) certified copies of this ordinance to the Division of Highways, Department of Transportation of the State of Illinois through the District Engineer of District 1 of said Division of Highways.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

City/State Project Agreement attached to this ordinance reads as follows:

City/State Project Agreement.

Improvement Of The Michigan Avenue Bridge

Over The Chicago River, And The Adjoining Viaduct.

Federal Project No.: ________

City Section No.: ________

State Job No.: ________

D.P.W. Job No.: ________

This Agreement, entered into this _____ day of ___________, 19____, by and between the State of Illinois, acting through its Department of Transportation, hereinafter called the "State", and the City of Chicago, acting through its Department of Public Works, hereinafter called the "City".

Witnesseth:

Whereas, The State and the City, in the interest of the safe and efficient movement of vehicular and pedestrian traffic, find it necessary to improve the Michigan Avenue Bridge over the Chicago River, and the adjoining viaduct hereinafter referred to as the "Project" and identified in numbered paragraph 11 of this Agreement; and

Whereas, The Department of Transportation of the State of Illinois, under Chapter 121, Article 4-409 of the Illinois Revised Statutes, as currently in effect, may enter into a written contract with any other highway authority for the jurisdiction, maintenance, administration, engineering or improvement of any highway or portion thereof; and

Whereas, On June 13, 1984 and on June 30, 1989, the State and the City entered into a Memorandum of Understanding regarding the funding of successive Five-Year Road Programs in Chicago, concluding with the end of State Fiscal Year 1994, and these Memorandums provide the basis for the State funds provided under this Agreement; and

Whereas, The Federal Highway Administration and the Urban Mass Transportation Administration are authorized under 23 U.S.C. 103(e)(4) to approve the use of funds made available by the request for withdrawal of certain non-essential Interstate highway routes from the Interstate System for substitute highway or non-highway public mass transit project; and

Whereas, The City and the State have concurred in the use of such funds for the Project; and

Whereas, The City is proceeding with studies and engineering required for the Project; and

Whereas, Under the federal regulations, certain written Agreements for the Project may be required;

The State Hereby Agrees:

1. To reimburse the City for 100% of the non-federal (State) and federal shares of the costs incurred in connection with the contract construction, force account construction, and construction engineering/supervision of the Project, as hereinafter provided in numbered paragraph 12, upon receipt of progressive billings supported by documentation as required by the State and Federal Highway Administration.

2. To review, approve and submit to the Federal Highway Administration without delay, all submittals which require Federal Highway Administration review, approval or other action.

The City Hereby Agrees:

3. To prepare, or cause to be prepared, studies, surveys, plans, specifications and estimates of cost for said Project.

4. Upon approval from the State and the Federal Highway Administration, to let and award the contract for the Project, and/or to provide or cause to be provided, all force account construction and construction engineering/supervision, all in accordance with established procedures of the City, the State and the Federal Highway Administration.

5. To finance the work pending progressive reimbursement by the State of the federal and non-federal (State) shares of costs, to appropriate such funds as are necessary therefore, and to prepare a complete and accurate breakdown of the costs of the Project.

6. To comply with all applicable Executive Orders and federal legislation pursuant to the Equal Employment Opportunity and Nondiscrimination Regulations as may be required by the State and under federal law.

7. That failure on the part of the City to fulfill the responsibilities assigned in paragraphs 6 and 10 of this Agreement may render the City ineligible for future federal participation in projects for which the City has similar responsibilities, until such failures are corrected.

8. To retain all Project records and to make them available for audit by State and federal auditors during the Project development and construction stages, and for a period of three (3) years after final acceptance of the Project.

The Parties Hereto Mutually Agree:

9. That prior to initiation of work to be performed hereunder, the disposition of encroachments will be cooperatively determined by representatives of the City and State.

10. That, upon completion of the improvement, the City will maintain or cause to be maintained those portions of the improvement under its established jurisdictional authority, in a manner satisfactory to the State and Federal Highway Administration. The State will maintain or cause to be maintained those portions of the improvement under its established jurisdictional authority, in a manner satisfactory to the Federal Highway Administration.

11. That said project generally consists of the improvement of the Michigan Avenue Bridge over the Chicago River, and the adjoining viaduct.

The decks of the viaduct and of the upper and lower levels of the bascule bridge will be removed and replaced. The viaduct's lower level roadway will be reconstructed and the vertical clearance will be improved. Vaulted sidewalks between Grand Avenue and Ohio Street will be filled and replaced and the sidewalks on both levels of the bridge will be improved. The existing concrete encasing the viaduct superstructure will be removed and all deteriorated structural steel and concrete elements of both the bridge and the viaduct will be repaired or replaced as necessary.

All mechanical and electrical components will be repaired, rehabilitated or replaced as necessary. A new drainage system will be installed. Bridge houses will be cleaned and repaired.

Damaged timber fenders in the waterway will be replaced and the dockwalls will be repaired.

All other appurtenances necessary to complete the Project in accordance with approved plans and specifications will also be provided.

12. That the estimated costs of the Project covered and described by this Agreement are:

Contract Construction	$18,500,000
Force Account Construction	900,000
Construction Engineering/Supervision ...... (15% of Contract Construction allowed)	2,700,000
TOTAL: ...	$22,100,000

and that based upon the current ratio of federal to non-federal (State) funds for Interstate projects, the proportional participation for the Project will be:

Federal Aid Share (IX) (85% of $18,000,000)	$18,785,000
Non-Federal Share (State) (15% of $18,000,000)	3,315,000
TOTAL: ...	$22,100,000

and that based upon said ratio, State financial participation (referred to herein as the non-federal share) shall be limited to a maximum of $3,315,000 with any non-federal share required in excess of that amount to be provided by the City or by Amendment to this Agreement.

13. That the City shall be responsible for 100% of the cost of any work not eligible for federal participation.

14. That standard federal-aid procedures and requirements shall apply to all phases of this Project.

15. That the Commissioner of Public Works is authorized to execute revisions to this Agreement relative to budgetary items, upon approval by the Illinois Department of Transportation, as long as such revisions do not increase the total cost of the Project ($22,100,000) as authorized by the City Council.

16. That this Agreement and the covenants contained herein shall be void ab initio in the event the contract covering the construction work contemplated herein is not awarded and/or the force account construction work is not authorized by January 1, 1995.

17. That all prior Agreements, or portions thereof, between the City and the State which refer to the construction of this Project are superseded by this Agreement.

This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

In Witness Whereof, The "City" and the "State" have caused this Agreement to be executed by their respective officials and attested to on the date hereinafter listed.

Executed by the City of Chicago
this ____ day of __________, ____.

The City of Chicago,
a municipal corporation

Attest:

____
City Clerk

By: ______________________________
Mayor

Reviewed As To Form And Legality:
(subject to proper execution)

Approved:

By: ______________________________
Commissioner,
Department of Public
Works

____
Assistant Corporation Counsel

Executed by the State of Illinois
this ____ day of __________, ______.

By: ______________________________
Director of Highways,
Illinois Department of
Transportation

AUTHORITY GRANTED FOR ISSUANCE OF FREE PERMIT, LICENSE FEE EXEMPTION AND WAIVER OF FEE FOR CERTAIN CHARITABLE, EDUCATIONAL AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, to which had been referred (October 25, 1989 and December 5, 1990) sundry proposed ordinances transmitted therewith to authorize the issuance of a free permit, license fee exemption and waiver of fee for certain charitable, educational and religious institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinances transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinances transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinances, as passed, read as follows (the italic heading in each case not being a part of the ordinance):

FREE PERMIT.

The Admiral.

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

SECTION 1. That the Commissioner of Buildings, the Commissioner of Public Works, the Commissioner of Streets and Sanitation, the Commissioner of Sewers and the Commissioner of Water are hereby directed to issue all necessary permits, free of charge, notwithstanding other ordinances of the City to the contrary, to The Admiral for remodeling and construction projects on the premises known as 909 West Foster Avenue.

Said building shall be used exclusively for a home for aged and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage and publication.

LICENSE FEE EXEMPTION.

Rehabilitation Institute Of Chicago.

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

SECTION 1. Pursuant to Section 137-6 of the Municipal Code of Chicago and in accordance with favorable investigation by the Board of Health, the following hospital that is not operated for gain but where a charge is made for the care of patients, shall be exempted from payment of the hospital license fee for the year 1990:

Rehabilitation Institute of Chicago
345 East Superior Street.

SECTION 2. This ordinance shall be in force from and after its passage.

WAIVER OF FEE.

Montgomery Place.

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

SECTION 1. That the Commissioner of Water is hereby directed to waive and exempt all costs and charges for installing water service taps and testing domestic water meters and the Commissioners of the Department of Streets and Sanitation and Public Works are hereby directed to waive and exempt all costs and charges for street excavations, closings and improvements relating to the installation of utility services, notwithstanding other ordinances of the City to the contrary, on behalf of:

Montgomery Place
c/o The Church Home
1525 East 53rd Street
Chicago, Illinois 60615,

for the development of a multi-unit residential building on the premises known as 5550 South South Shore Drive.

Said building shall be used exclusively for residency and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

CITY COMPTROLLER AUTHORIZED AND DIRECTED TO CANCEL WARRANTS FOR COLLECTION ISSUED AGAINST CERTAIN CHARITABLE, EDUCATIONAL AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, to which had been referred sundry proposed orders for cancellation of specified warrants for collection issued against certain charitable, educational and religious institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed substitute order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is hereby authorized and directed to cancel specified warrants for collection issued against certain charitable, educational and religious institutions, as follows:

Name And Address	Warrant No. And Type of Inspection	Amount
Ada S. McKinley Community Services, Incorporated (various locations)	B1-000799 (Bldg.)	$ 31.00
	B1-012693 (Bldg.)	31.00
	B1-606431 (Bldg.)	23.00
	B1-905239 (Bldg.)	23.00
	B1-913225 (Bldg.)	23.00
	D1-721190 (Sign)	16.00
	F4-004191 (Mech. Vent.)	78.00
	F4-907086 (Mech. Vent.)	65.00
	F7-900276 (Furnace)	39.00
	R1-904117 (Drwy.)	68.00
Bethany Methodist Hospital 5025 North Paulina Street	D7-003661 (Sign)	40.00
	D7-003940 (Sign)	40.00
Bethesda Home and Retirement Center 2833 North Nordica Avenue	P1-006208 (Fuel Burn. Equip.)	353.00

Name And Address	Warrant No. And Type of Inspection	Amount
Chicago Sinai Congregation 5350 South South Shore Drive	F5-000724 (Canopy)	$ 363.00
Conservative Baptist Church 1001 East 75th Street	D1-014485 (Sign)	50.00
Grant Hospital 551 West Grant Place	P1-006166 (Fuel Burn. Equip)	3,460.00
Northwestern Memorial Hospital (various locations)	B1-019704 (Bldg.)	63.00
	B1-019708 (Bldg.)	31.00
	D1-015595 (Sign)	22.00
	D1-015596 (Sign)	22.00
	D1-015597 (Sign)	22.00
	D7-003749 (Sign)	40.00
	D7-003771 (Sign)	120.00
	D7-003847 (Sign)	105.00
	D7-003863 (Sign)	40.00
	D7-003965 (Sign)	1,395.00

Name And Address	Warrant No. And Type of Inspection	Amount
Norweigan Old Peoples Home 6016 North Nina Avenue	D7-003445 (Sign)	$ 40.00
Our Lady of Good Counsel Parish 3528 South Hermitage Avenue	B1-019126 (Bldg)	31.00
Resurrection Retirement Community 7266 West Peterson Avenue	P1-006079 (Fuel Burn. Equip.)	663.00
	P1-006209 (Fuel Burn. Equip.)	1,024.00
Temple Kamisaiah Israel 1100 East Hyde Park Boulevard	P1-006489 (Fuel. Burn. Equip.)	88.00
William Scholl College of Podiatric Medicine 1001 North Dearborn Street	D1-016981 (Sign)	22.00

REDUCTION IN ANNUAL LICENSE FEES FOR SPECIAL POLICE EMPLOYED BY DE PAUL UNIVERSITY.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the reduction in license fees for the employment of special policemen, submitted by Alderman Eisendrath for DePaul University -- fifty-six (56) special policemen, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. Pursuant to Chapter 173, Section 173-6 of the Municipal Code of Chicago, the following charitable institution employs 56 special police and shall pay a fee of $10.00 per license for the year 1991:

DePaul University
Lincoln Park and Loop Campuses
2315 North Kenmore Avenue.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

AUTHORITY GRANTED FOR PAYMENTS OF HOSPITAL, MEDICAL AND NURSING SERVICES RENDERED CERTAIN INJURED MEMBERS OF POLICE AND FIRE DEPARTMENTS.

The Committee on Finance submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the payment of hospital and medical expenses of police officers and firefighters injured in the line of duty, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is authorized and directed to issue vouchers, in conformity with the schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or the Fire Department herein named. The payment of any of these bills shall not be construed as an approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of said claims is set opposite the names of the injured members of the Police Department and/or the Fire Department, and vouchers are to be drawn in favor of the proper claimants and charged to Account No. 100.9112.937:

[Regular orders printed on pages 27684 through 27700 of this Journal.]

; and

Be It Further Ordered, That the City Comptroller is authorized and directed to issue warrants, in conformity with the schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or Fire Department herein named, provided such members of the Police Department and/or Fire Department shall enter into an agreement in writing with the City of Chicago to the effect that, should it appear that any of said members of the Police Department and/or Fire Department have received any sum of money from the party whose negligence caused such injury, or have instituted proceedings against such party for the recovery of damage on account of such injury or medical expenses, then in that event the City shall be reimbursed by such member of the Police Department and/or Fire Department out of any sum that such member of the Police Department and/or Fire Department has received or may hereafter receive from such third party on account of such injury or medical expenses, not to exceed the expense in accordance with Opinion No. 1422 of the Corporation Counsel of said City, dated March 19, 1926. The payment of any of these bills shall not be construed as approval of any previous claims pending claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of such claims, as allowed, is set opposite the names of the injured members of the Police Department and/or Fire Department, and warrants are to be drawn in favor of the proper claimants and charged to Account No. 100.9112.937:

[Third party orders printed on pages 27701 through 27703 of this Journal.]

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

REGULAR ORDERS

*********** EMPLOYEE NAME ***********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
ABBEY	MICHAEL J	POLICE OFFICER	ENFORCEMENT SECTION	3/06/90	50.00
ACCARDO	ROSEMARY	POLICE OFFICER	SIXTEENTH DISTRICT	5/06/90	60.00
ADAMS	CRAIG II	POLICE OFFICER	RECRUIT TRAINING	5/19/90	105.90
ADAMS	DONNA	POLICE OFFICER	SEVENTH DISTRICT	6/21/90	73.75
ADAMS	EDWARD	POLICE OFFICER	SECOND DISTRICT	7/31/90	69.00
ADAMS	JOSEPH	POLICE OFFICER	THIRD DISTRICT	1/17/90	190.00
AGUINAGA-CARTER	KATHLEEN S	POLICE OFFICER	TWENTY-SECOND DISTRICT	6/25/90	317.25
AHERN	JAMES F	POLICE OFFICER	NARCOTIC GENERAL ENFORCEMENT	7/20/88	847.00
AIRHART	JOE M	POLICE OFFICER	VICE CONTROL SECTION	6/28/90	459.50
AKINS	DARYL	POLICE OFFICER	THIRD DISTRICT	8/02/90	972.00
ALI	KARIEM A	POLICE OFFICER	SEVENTH DISTRICT	7/15/90	631.50
ALLEN	EDWARD	POLICE OFFICER	SIXTH DISTRICT	12/18/89	182.00
ALLOTTA	JAMES	POLICE OFFICER	UNKNOWN	7/23/90	192.00
ALMAGUER	XAVIER	POLICE OFFICER	TENTH DISTRICT	5/27/90	355.50
ALMAGUER	XAVIER	POLICE OFFICER	TENTH DISTRICT	7/08/90	284.00
AMATI	MARK A	POLICE OFFICER	FIFTEENTH DISTRICT	5/19/90	360.00
ANDERSON	JAMES	POLICE OFFICER	NINTH DISTRICT	1/30/90	68.00
ANDERSON	ROESHELL	POLICE OFFICER	SECOND DISTRICT	6/27/90	265.00
ANDERSON	STEPHEN	POLICE OFFICER	FOURTH DISTRICT	6/03/90	416.00
ANDREWS	JOHN R	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	7/05/90	90.00
ANGELO	THOMAS M	POLICE OFFICER	SIXTEENTH DISTRICT	5/28/90	196.20
ARCEO	JAMES	POLICE OFFICER	FOURTEENTH DISTRICT	9/22/90	210.00
ARROYO	LUIS A	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/05/90	246.88
AZARA	JOHN T	POLICE OFFICER	FOURTEENTH DISTRICT	6/18/90	68.00
BAEZ	DAVID	POLICE OFFICER	SECOND DISTRICT	5/07/90	151.50
BAJENSKI	LEONARD R	POLICE OFFICER	VICE CONTROL SECTION	1/22/90	50.00
BALL	RONALD J	POLICE OFFICER	SEVENTH DISTRICT	3/22/90	174.00
BARNES	DENNIS	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/08/90	473.00
BARNHILL	GORDON	POLICE OFFICER	AUTO THEFT SECTION	6/14/90	436.50
BARRERA	JOSEPH	POLICE OFFICER	FOURTEENTH DISTRICT	12/02/89	96.00
BARRIS	LORETTA W	POLICE OFFICER	RECRUIT TRAINING	3/08/90	1333.50
BARRON	JACK J	POLICE OFFICER	ELEVENTH DISTRICT	7/22/90	86.50
BARTH	TERESE	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/27/90	578.75
BASURTO	SAUL	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/09/90	232.65
BATTAGLIA	JOSEPH A	POLICE OFFICER	SEVENTH DISTRICT	7/05/90	354.00
BAUER	PAUL R	POLICE OFFICER	PATROL DIVISION-ADMINISTRATION	6/21/90	495.00
BAUMER	CHARLES E	POLICE OFFICER	INTERSECTION CONTROL UNIT	7/15/90	88.50
BERENT	ROBERT J	POLICE OFFICER	YOUTH DIVISION AREA FIVE	6/26/90	1956.34
BERTINI	DONALD R	POLICE OFFICER	RECRUIT TRAINING	5/14/90	459.00
BEVAN	HERBERT H	POLICE OFFICER	FIRST DISTRICT	3/25/87	1415.71
BIEBEL	JAMES W	POLICE OFFICER	DETECTIVE DIV AREA 6 ADMINISTR	7/11/90	83.00
BILSKI	JOHN	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/19/90	250.00
BILSKI	JOHN	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/06/90	187.25
BLAUL	JAMES	POLICE OFFICER	RECRUIT TRAINING	4/20/90	104.90
BOEHMER	KATHLEEN	POLICE OFFICER	DETACHED SERVICES-MISCELLANEOU	5/01/90	161.00
BOKOWSKI	ROMAN J	POLICE OFFICER	EIGHTH DISTRICT	11/22/89	150.00
BOLGER	TIMOTHY	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/19/90	913.75
BOOKER	JAMES	POLICE OFFICER	SEVENTH DISTRICT	7/20/90	600.00
BORKOWSKI	ANDREW	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	4/27/88	16.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

REGULAR ORDERS

************ EMPLOYEE NAME ************		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
BOSSE	FRED E	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	5/26/90	75.00
BOTHFELD	CONSTANCE	POLICE OFFICER	RECRUIT TRAINING	5/02/90	436.00
BOURGOYNE	JOSEPH	POLICE OFFICER	TWENTY-FIRST DISTRICT	2/11/88	1553.00
BOZINOVICH	ROBERT	POLICE OFFICER	NINTH DISTRICT	6/16/90	1244.93
BRACKO	SHARON	POLICE OFFICER	SECOND DISTRICT	6/23/90	144.00
BRADY	BRUCE E	POLICE OFFICER	CANINE UNIT	5/30/90	101.20
BRADY	RICHARD J	POLICE OFFICER	SEVENTH DISTRICT	3/17/90	45.00
BRANICK	GERALD	POLICE OFFICER	EIGHTEENTH DISTRICT	7/21/90	115.50
BRAXTON	EDWARD	POLICE OFFICER	THIRD DISTRICT	6/08/90	227.00
BRAXTON	EDWARD	POLICE OFFICER	THIRD DISTRICT	4/12/90	299.00
BRIGHT	KAREN D	POLICE OFFICER	SEVENTH DISTRICT	5/27/90	635.50
BRIGHT	MARCEL	POLICE OFFICER	SECOND DISTRICT	1/08/90	234.00
BRITT	STEPHEN	POLICE OFFICER	SIXTEENTH DISTRICT	5/06/90	101.00
BRITTAIN	MICHAEL	POLICE OFFICER	RECRUIT TRAINING	5/11/90	698.60
BROCKMAN	ELLWOOD	POLICE OFFICER	COMMUNICATIONS OPERATIONS SECT	5/05/90	135.25
BRODERICK	JOHN	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/09/90	90.65
BROWN	CYNTHIA	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/14/90	136.15
BROWN	DARYN R	POLICE OFFICER	SEVENTH DISTRICT	3/13/90	100.00
BROWN	DAVID	POLICE OFFICER	FIFTH DISTRICT	6/05/90	277.00
BROWN	KENNETH	POLICE OFFICER	FIFTH DISTRICT	5/23/90	127.00
BROWN	MANUEL L	POLICE OFFICER	SIXTH DISTRICT	5/02/90	907.88
BROWN	MILLAUN	POLICE OFFICER	FOURTH DISTRICT	6/12/90	570.52
BROWN	RICHARD J	POLICE OFFICER	SEVENTEENTH DISTRICT	6/08/90	221.92
BROWNFIELD	FREDDIE	POLICE OFFICER	TENTH DISTRICT	5/01/90	3156.50
BRUNDAGE-WRIGHT	CATHERINE C	POLICE OFFICER	FIFTH DISTRICT	3/16/90	173.00
BUE	PHILLIP	POLICE OFFICER	DETECTIVE DIV AREA 6 VIOLENT C	7/09/90	179.00
BUFORD	RUDOLPH V	POLICE OFFICER	SEVENTEENTH DISTRICT	6/07/90	167.00
BULMASH	JILL	POLICE OFFICER	EIGHTEENTH DISTRICT	6/18/90	550.44
BURAUER	CAROLYN C	POLICE OFFICER	TWELFTH DISTRICT	7/31/90	279.00
BURGER	CHARLES J	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/25/90	103.70
BURKE	MICHAEL	POLICE OFFICER	TENTH DISTRICT	7/05/90	480.50
BURMISTRZ	PAMELA	POLICE OFFICER	NINTH DISTRICT	5/12/90	1233.00
BUSH	MELVIN	POLICE OFFICER	FIFTH DISTRICT	3/11/90	75.00
BUTLER	RODNEY G	POLICE OFFICER	ELEVENTH DISTRICT	7/12/90	516.59
BYRD	CHARLENE T	POLICE OFFICER	FIFTH DISTRICT	4/04/90	100.00
CABALLERO	RAYMOND	POLICE OFFICER	TENTH DISTRICT	6/15/90	1142.00
CABRAL	ANNETTE	POLICE OFFICER	SEVENTH DISTRICT	7/31/90	77.00
CALLAGHAN	MICHAEL F	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	8/19/90	3518.49
CALLAHAN	MICHAEL	POLICE OFFICER	FOURTH DISTRICT	6/25/90	7233.14
CANTERBURY	DENNIS	POLICE OFFICER	FIRST DISTRICT	5/14/90	18.25
CAPERS	DARLENE	POLICE OFFICER	FOURTH DISTRICT	6/26/90	431.50
CARBONARO	JOHN J	POLICE OFFICER	EIGHTEENTH DISTRICT	1/17/90	675.00
CARDUCCI	SAMUEL S	POLICE OFFICER	FIFTEENTH DISTRICT	4/22/90	587.00
CAREY	JOHN D	POLICE OFFICER	TWENTIETH DISTRICT	12/19/89	110.00
CARO	BILL	POLICE OFFICER	TENTH DISTRICT	4/27/90	197.50
CARONE	EUGENE F	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/09/90	262.00
CARONE	EUGENE F	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/06/90	192.75
CAROTHERS	ANTHONY	POLICE OFFICER	THIRTEENTH DISTRICT	5/24/90	161.00
CARROLL	EDWARD	POLICE OFFICER	EIGHTEENTH DISTRICT	5/21/90	192.75

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

REGULAR ORDERS

*********** EMPLOYEE NAME ***********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
CARTER	CORA MARIE	POLICE OFFICER	SIXTH DISTRICT	5/15/90	185.55
CARTER	TANYA Y	POLICE OFFICER	RECRUIT TRAINING	5/29/90	908.50
CASCIO	RICHARD J	POLICE OFFICER	OHARE LAW ENFORCEMENT	5/08/90	495.85
CASEY	MICHAEL J	POLICE OFFICER	TWENTY-FIRST DISTRICT	2/06/85	275.00
CASTO	STEVE	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	5/31/90	721.00
CATALANO	DAVID	POLICE OFFICER	ELEVENTH DISTRICT	7/30/90	30.00
CELLA	JOHN A	POLICE OFFICER	NINETEENTH DISTRICT	5/17/90	59.15
CELLA	JOHN A	POLICE OFFICER	NINETEENTH DISTRICT	5/08/90	58.80
CESAK	BRIAN T	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/27/90	280.00
CESAK	BRIAN T	POLICE OFFICER	TWENTY-FIRST DISTRICT	6/12/90	352.00
CHAMBERS	ANNE F	POLICE OFFICER	THIRTEENTH DISTRICT	5/28/90	274.20
CHAPMAN	EDDIE	POLICE OFFICER	TWENTY-FOURTH DISTRICT	5/24/90	277.15
CHERRY	CARL J	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/30/90	137.00
CLEARY	MICHAEL P	POLICE OFFICER	NINETEENTH DISTRICT	1/23/89	185.00
CLEPP	KATHY A	POLICE OFFICER	TWENTY-FIFTH DISTRICT	11/02/89	25.00
COBB	SHAWN E	POLICE OFFICER	ELEVENTH DISTRICT	5/08/90	339.80
COBB	SHAWN E	POLICE OFFICER	ELEVENTH DISTRICT	6/20/90	262.50
COLEMAN	ELAYNE	POLICE OFFICER	RECRUIT TRAINING	5/02/90	1208.60
COLEMAN	NATALEEN V	POLICE OFFICER	TWENTY-SECOND DISTRICT	6/11/90	265.20
COLLINS	ELEANOR D	POLICE OFFICER	UNKNOWN	5/16/90	189.70
COLLINS	PATRICK J	POLICE OFFICER	TRAINING DIVISION	2/15/90	40.00
COLON	JOSEPH	POLICE OFFICER	NINETEENTH DISTRICT	6/21/90	398.00
COLON	JOSEPH	POLICE OFFICER	NINETEENTH DISTRICT	7/10/90	250.00
COLON	MANUEL	POLICE OFFICER	UNKNOWN	5/14/90	120.00
COLVIN	PATRICK	POLICE OFFICER	FIFTH DISTRICT	5/20/90	354.25
COMITO	JAMES	POLICE OFFICER	AUTOMOTIVE POUNDS SECTION	6/15/87	50.00
CONTRERAS	JOSIE	POLICE OFFICER	THIRTEENTH DISTRICT	2/17/90	60.00
COOK	CARLTON	POLICE OFFICER	THIRD DISTRICT	7/11/90	963.00
COOL	FRANK M	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/29/90	431.00
COOL	JAMES C	POLICE OFFICER	TWENTY-FIFTH DISTRICT	5/16/90	99.25
COOPER	RONALD H	POLICE OFFICER	FIFTEENTH DISTRICT	5/04/90	270.00
CORNELIUS	FREDDIE	POLICE OFFICER	FIFTH DISTRICT	5/17/90	976.85
CORSO	GEORGE	POLICE OFFICER	NINETEENTH DISTRICT	6/08/90	216.00
CORTES	CARLOS	POLICE OFFICER	FOURTEENTH DISTRICT	2/13/90	386.50
CORTES	MERCEDES	POLICE OFFICER	TWENTY-FIRST DISTRICT	12/21/89	100.00
COSENTINO	JOSEPH J	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	1/23/90	40.00
COSGROVE	THOMAS G	POLICE OFFICER	EIGHTEENTH DISTRICT	7/28/89	120.00
COSTA	JAMES E	POLICE OFFICER	FIRST DISTRICT	4/25/90	50.00
COTTON	AARON JR	POLICE OFFICER	THIRD DISTRICT	5/22/90	700.00
COUGHLIN	RICHARD P	POLICE OFFICER	NINTH DISTRICT	6/14/90	314.00
COUGHLIN	THOMAS	POLICE OFFICER	NINTH DISTRICT	5/03/90	189.00
CRONIN	MICHAEL	POLICE OFFICER	DETECTIVE DIVISION MISCELLANEO	5/07/90	106.65
CROSS	SHELTON D	POLICE OFFICER	FIRST DISTRICT	1/18/90	1020.00
CROSWELL	JEROLYNNE	POLICE OFFICER	ELEVENTH DISTRICT	3/05/90	63.00
CROWELL	DAVID A	POLICE OFFICER	ELEVENTH DISTRICT	6/26/90	1240.50
CRUZ	JOSE A	POLICE OFFICER	THIRTEENTH DISTRICT	3/20/90	90.00
CURLEY	JOHN	POLICE OFFICER	EIGHTEENTH DISTRICT	5/15/90	47.50
CYGAN	DAVID	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/05/90	191.75
CZAPIEWSKI	THOMAS	POLICE OFFICER	SEVENTEENTH DISTRICT	6/15/90	244.75

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

REGULAR ORDERS

************ EMPLOYEE NAME ************		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
DALY	CHARLES	POLICE OFFICER	EIGHTEENTH DISTRICT	6/19/90	203.50
DALY	JAMES M	POLICE OFFICER	TENTH DISTRICT	5/19/90	252.00
DANIELS	DAVID L	POLICE OFFICER	EIGHTH DISTRICT	9/30/89	49.00
DAVIS	ERIC A	POLICE OFFICER	PUBLIC HOUSING DIVISION-NORTH	6/10/90	88.50
DAVIS	JAMES A	POLICE OFFICER	SIXTH DISTRICT	5/30/90	320.00
DAVIS	KERRY	POLICE OFFICER	THIRD DISTRICT	7/01/90	937.80
DEAVILA	RUBEN	POLICE OFFICER	TENTH DISTRICT	6/21/90	117.00
DEJULIO	ROBERT C	POLICE OFFICER	EIGHTEENTH DISTRICT	11/15/89	60.00
DELGADO	CARLOS J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/02/90	410.00
DELUCA	SALVATORE	POLICE OFFICER	NINTH DISTRICT	5/02/90	314.90
DESANDO	DANIEL D	POLICE OFFICER	EIGHTH DISTRICT	6/21/90	734.00
DEVONEY	WILLIAM	POLICE OFFICER	OHARE LAW ENFORCEMENT	5/08/90	79.25
DIAZ	ANTONIO	POLICE OFFICER	TENTH DISTRICT	5/21/90	396.00
DIAZ	ENRIQUE	POLICE OFFICER	SEVENTH DISTRICT	5/01/90	139.40
DIAZ	INOCENCIO	POLICE OFFICER	EIGHTH DISTRICT	6/17/90	121.00
DITRYK	PAUL	POLICE OFFICER	SIXTH DISTRICT	5/30/90	340.90
DIXON	JOHN	POLICE OFFICER	FOURTH DISTRICT	9/03/89	103.00
DOBSON	DENNIS	POLICE OFFICER	TENTH DISTRICT	5/01/90	253.80
DOLAN	ROBERT	POLICE OFFICER	NINETEENTH DISTRICT	3/14/90	20.00
DOLL	SUSAN	POLICE OFFICER	TWENTY-FIRST DISTRICT	7/18/90	417.00
DOMAGALA	BERNARD	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/14/88	620.25
DOMBKOWSKI	DAVID W	POLICE OFFICER	THIRTEENTH DISTRICT	6/04/90	336.00
DONALY	JOE	POLICE OFFICER	FIFTEENTH DISTRICT	7/19/90	357.50
DOWNEY	CORNELIUS	POLICE OFFICER	SECOND DISTRICT	7/30/90	144.00
DOYAL	BYRON	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/13/90	193.50
DOYLE	STEVE G	POLICE OFFICER	NINETEENTH DISTRICT	6/08/90	119.00
DOYLE	THOMAS C	POLICE OFFICER	TENTH DISTRICT	6/06/90	160.50
DREW	ALFONZO	POLICE OFFICER	RECRUIT TRAINING	5/10/90	176.00
DREW	MICHAEL J	POLICE OFFICER	TWENTY-FOURTH DISTRICT	5/18/90	171.00
DROZD	ROBERT S	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	4/13/90	282.20
DUFFIN	KEVIN	POLICE OFFICER	SEVENTH DISTRICT	12/24/89	585.82
DUFFY	TERRENCE J	POLICE OFFICER	TWENTY-THIRD DISTRICT	5/24/90	168.70
DUNN	WILLIAM P	POLICE OFFICER	SEVENTH DISTRICT	5/01/90	110.00
DUNNE	THOMAS H	POLICE OFFICER	EIGHTEENTH DISTRICT	6/17/82	28.00
DURKIN	JAMES M	POLICE OFFICER	EIGHTH DISTRICT	7/05/90	190.50
DURLAND	MADELIENE	POLICE OFFICER	TWENTIETH DISTRICT	6/15/90	155.50
DWYER	JOHN J	POLICE OFFICER	SIXTEENTH DISTRICT	7/22/90	254.25
EASLEY	HARRY A	POLICE OFFICER	THIRD DISTRICT	5/11/90	143.90
EASON	DIANA J	POLICE OFFICER	TWENTY-FIRST DISTRICT	6/24/90	307.00
EASTER	DERAIL	POLICE OFFICER	SIXTH DISTRICT	6/03/90	211.20
EIGENBAUER	ROBERT	POLICE OFFICER	TWELFTH DISTRICT	6/14/90	1163.00
EPICH	KEN R	POLICE OFFICER	SEVENTH DISTRICT	6/08/90	178.90
EPPLING	FLOYD	POLICE OFFICER	RECRUIT TRAINING	6/21/90	512.00
ERNST	RAYMOND	POLICE OFFICER	THIRTEENTH DISTRICT	6/04/90	712.00
ESPERICUETA	RENE	POLICE OFFICER	THIRTEENTH DISTRICT	6/04/90	217.00
EVANS	CLIFFORD	POLICE OFFICER	THIRD DISTRICT	4/26/89	332.00
EVANS	DAVID J	POLICE OFFICER	EIGHTH DISTRICT	6/03/90	70.00
EVANS	JUDE	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	3/10/90	45.00
FARRELL	ROBERT J	POLICE OFFICER	SEVENTEENTH DISTRICT	7/12/80	78.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

REGULAR ORDERS

*********** EMPLOYEE NAME ***********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
FELDMAN	MARSHA	POLICE OFFICER	TWENTY-THIRD DISTRICT	6/10/88	275.00
FIELDS-MONTREL	DELORES	POLICE OFFICER	SIXTH DISTRICT	5/03/90	160.00
FIELDS-MONTREL	DELORES	POLICE OFFICER	THIRTEENTH DISTRICT	6/09/90	310.60
FINNEY	ANTHONY	POLICE OFFICER	THIRTEENTH DISTRICT	5/15/90	220.00
FITZGERALD	JOSEPH P	POLICE OFFICER	SEVENTEENTH DISTRICT	6/05/90	59.75
FITZPATRICK	WILLIAM	POLICE OFFICER	MAJOR ACCIDENT INVESTIGATION S	7/15/89	100.00
FLAHERTY	LENORE	POLICE OFFICER	TWENTY-SECOND DISTRICT	5/04/90	186.45
FLIGELMAN	KENNETH H	POLICE OFFICER	AUTO THEFT SECTION	4/25/90	35.00
FOGG	LISA M	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/17/90	149.50
FORD	SHARON R	POLICE OFFICER	UNKNOWN	5/03/90	357.00
FORD	VALARIE R	POLICE OFFICER	TRAINING DIVISION	5/09/90	299.00
FOSS	THOMAS P	POLICE OFFICER	SEVENTH DISTRICT	5/01/90	446.00
FOSTER	DUANE E	POLICE OFFICER	FOURTEENTH DISTRICT	6/21/90	570.00
FRANCIS	RICHARD M	POLICE OFFICER	EIGHTEENTH DISTRICT	5/27/90	762.80
FREEMAN	SCOTT	POLICE OFFICER	SEVENTH DISTRICT	6/01/90	415.00
FRONCZAK	ROBERT R	POLICE OFFICER	TWELFTH DISTRICT	6/11/90	92.50
GALE	STEVEN J	POLICE OFFICER	SECOND DISTRICT	7/01/90	583.50
GALE	STEVEN J	POLICE OFFICER	SECOND DISTRICT	12/07/88	75.00
GALLEGOS	ABEL A	POLICE OFFICER	TENTH DISTRICT	2/16/90	50.00
GALUHN	KENNETH J	POLICE OFFICER	TWENTY-THIRD DISTRICT	5/29/90	474.00
GARRIDO	JOHN A	POLICE OFFICER	SIXTEENTH DISTRICT	6/16/90	146.25
GARZA	SIMON	POLICE OFFICER	THIRTEENTH DISTRICT	5/19/90	240.00
GENTILE	JOSEPH	POLICE OFFICER	FOURTEENTH DISTRICT	6/28/90	141.00
GEORGE	MARK A	POLICE OFFICER	FIFTEENTH DISTRICT	4/01/90	353.00
GEORGE	PARRIS	POLICE OFFICER	FIFTEENTH DISTRICT	2/07/90	320.00
GIAMBALVO	ROSEMARIE	POLICE OFFICER	THIRTEENTH DISTRICT	5/04/90	1170.00
GLEN	TIMOTHY	POLICE OFFICER	RECRUIT TRAINING	2/05/90	6602.42
GLUGLA	CRYSTAL	POLICE OFFICER	THIRTEENTH DISTRICT	5/25/90	321.00
GOGGIN	NICHOLAS	POLICE OFFICER	ELEVENTH DISTRICT	6/08/90	1079.90
GOHRSCH	DONNA L	POLICE OFFICER	OHARE LAW ENFORCEMENT	6/12/90	590.64
GOLDEN	PATRICK J	POLICE OFFICER	TENTH DISTRICT	6/09/90	245.00
GONZALEZ	ARMANDO	POLICE OFFICER	NINTH DISTRICT	2/14/90	56.00
GORDON	RONALD J	POLICE OFFICER	INTERSECTION CONTROL UNIT	10/06/88	55.00
GOWANS	LUTHER B	POLICE OFFICER	RECRUIT TRAINING	1/26/90	50.00
GOYTIA	ANDREA L	POLICE OFFICER	TENTH DISTRICT	6/18/90	458.50
GRANDY	KENNETH L	POLICE OFFICER	TWENTIETH DISTRICT	6/27/90	354.40
GRANLUND	DWIGHT	POLICE OFFICER	TWENTIETH DISTRICT	5/23/90	61.75
GREEN	SINGLETON	POLICE OFFICER	RECRUIT TRAINING	4/30/90	760.00
GREENE	ANDRE	POLICE OFFICER	SEVENTH DISTRICT	5/23/90	1629.00
GREENWICH	FRANK C	POLICE OFFICER	FOURTEENTH DISTRICT	12/26/82	150.00
GRIFFIN	WAYNE A	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	11/19/89	39.00
GRIFFITH	LINDA D	POLICE OFFICER	FIFTH DISTRICT	6/03/90	281.50
GROBARCIK	MARY M	POLICE OFFICER	SIXTH DISTRICT	5/23/90	191.00
GROELLER	WILLIAM M	POLICE OFFICER	TWENTY-FIRST DISTRICT	6/08/90	291.00
GRZYB	DIANE K	POLICE OFFICER	FIFTH DISTRICT	6/24/90	306.50
GUIFFRA	VINCENT J	POLICE OFFICER	ELECTRONICS MAINTENANCE DIVISI	2/26/90	1487.00
GUINEY	DANIEL L	POLICE OFFICER	SENIOR CITIZENS SERVICE DIVISI	4/30/90	350.00
GULA	JOSEPH T	POLICE OFFICER	UNKNOWN	5/26/90	180.00
GUZIK	WILLIAM G	POLICE OFFICER	TWENTY-FIFTH DISTRICT	5/20/90	1813.28

C I T Y O F C H I C A G O

CITY COUNCIL ORDERS

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********** EMPLOYEE NAME ***********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
HADAC	ALLEN C	POLICE OFFICER	PUBLIC HOUSING DIVISION-NORTH	5/21/90	924.38
HALTOM	DANIEL	POLICE OFFICER	TWENTY-FOURTH DISTRICT	5/29/90	413.80
HAMMOND	DANIEL J	POLICE OFFICER	EIGHTH DISTRICT	5/08/90	206.85
HARDY	JUDGE	POLICE OFFICER	YOUTH DIVISION AREA ONE	5/18/90	227.40
HARRIS	CHARLETTE	POLICE OFFICER	TWELFTH DISTRICT	4/11/85	300.00
HARRIS	DAVID L	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	5/04/90	780.25
HARTFORD	PATRICIA A	POLICE OFFICER	TWENTIETH DISTRICT	5/24/90	59.75
HAUGH	JOHN D	POLICE OFFICER	TWENTY-SECOND DISTRICT	12/19/88	55.00
HEALY	JOHN	POLICE OFFICER	TWENTIETH DISTRICT	6/11/90	180.00
HEIDT	JOHN F	POLICE OFFICER	SECOND DISTRICT	6/08/90	75.50
HEIMANN	SCOT L	POLICE OFFICER	NINTH DISTRICT	9/17/89	14.00
HENEGHAN	SUSAN G	POLICE OFFICER	TENTH DISTRICT	1/04/90	50.00
HENNIGAN	THOMAS	POLICE OFFICER	NINTH DISTRICT	6/20/90	305.70
HENSON	STEVEN	POLICE OFFICER	SEVENTH DISTRICT	5/08/90	44.60
HESLIN	FRANCIS J	POLICE OFFICER	FOURTH DISTRICT	6/03/90	197.50
HILBRING	WILLIAM	POLICE OFFICER	TRAINING DIVISION	3/22/90	312.00
HILLMAN	MICHAEL A	POLICE OFFICER	THIRD DISTRICT	11/09/89	50.00
HOLEC	JOHN J	POLICE OFFICER	SEVENTEENTH DISTRICT	5/31/90	480.00
HOWARD	CHARLES	POLICE OFFICER	FOURTH DISTRICT	3/04/90	60.00
HOWARD	CORILYN	POLICE OFFICER	TWENTY-FIFTH DISTRICT	2/05/89	138.00
HUBER	VICKI ANN	POLICE OFFICER	TWENTIETH DISTRICT	6/07/90	958.04
HUDSON	THOMAS J	POLICE OFFICER	ELEVENTH DISTRICT	5/03/90	975.00
HUGHES	CHARLIE E	POLICE OFFICER	ELEVENTH DISTRICT	6/21/89	50.00
HUGHES	KATHLYN M	POLICE OFFICER	YOUTH DIVISION AREA THREE	1/22/90	68.00
HUNDRIESER	DAVID J	POLICE OFFICER	SIXTEENTH DISTRICT	6/30/90	698.50
HUSS	RONALD	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	6/10/90	513.00
HYBL	RICHARD	POLICE OFFICER	FIFTEENTH DISTRICT	4/29/90	298.75
JELENIEWSKI	MARY	POLICE OFFICER	SIXTH DISTRICT	6/02/90	365.95
JENKINS	JOHNNIE B	POLICE OFFICER	SIXTH DISTRICT	2/08/90	554.00
JENKINS	RONALD	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	6/18/90	135.00
JOHNSON	CAROLYN	POLICE OFFICER	TWENTY-FIRST DISTRICT	3/12/76	215.00
JOHNSON	JEFFREY S	POLICE OFFICER	FOURTH DISTRICT	5/29/90	75.50
JOHNSON	KEVIN C	POLICE OFFICER	THIRD DISTRICT	6/21/90	201.00
JONES	RALPH	POLICE OFFICER	THIRTEENTH DISTRICT	2/06/83	165.00
JONES	RICHARD A	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/09/90	211.00
KALAFUT	KENNETH	POLICE OFFICER	TWENTY-FIRST DISTRICT	4/02/89	7.00
KAPUGI	STEVEN	POLICE OFFICER	TENTH DISTRICT	4/30/89	35.00
KARCZEWSKI	EUGENE S	POLICE OFFICER	NARCOTIC GENERAL ENFORCEMENT	11/14/89	100.00
KASPRZYK-KEIRSE	LINDA	POLICE OFFICER	FOURTH DISTRICT	3/07/90	20.00
KAWASAKI	ROY	POLICE OFFICER	ELEVENTH DISTRICT	5/04/90	418.00
KELLY	FRANKLIN R	POLICE OFFICER	FOURTH DISTRICT	2/18/77	731.00
KELLY III	MICHAEL	POLICE OFFICER	FIRST DISTRICT	6/20/90	2973.35
KILROY	JUDY L	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/01/90	1563.25
KING	RICHARD F	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	1/08/90	135.00
KISS	KATHY	POLICE OFFICER	TWENTY-THIRD DISTRICT	6/14/89	60.00
KLUPT	SAUL E	POLICE OFFICER	EIGHTEENTH DISTRICT	4/10/90	108.00
KOPSKY	CHRISTINE A	POLICE OFFICER	TWELFTH DISTRICT	1/05/90	60.00
KORONKIEWICZ	WILLIAM	POLICE OFFICER	ELECTRONICS MAINTENANCE DIVISI	6/04/90	509.30
KOWALSKI	ROBERT T	POLICE OFFICER	DETAIL UNIT	5/30/90	338.90

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************ EMPLOYEE NAME ************		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
KUBIK	JOHN L	POLICE OFFICER	SIXTEENTH DISTRICT	6/13/90	254.00
KURPIS	ROBERT M	POLICE OFFICER	SEVENTH DISTRICT	5/25/90	651.75
LABANT	WILLIAM	POLICE OFFICER	TWENTIETH DISTRICT	6/25/90	50.00
LAPOINTE IV	ARTHUR	POLICE OFFICER	ELEVENTH DISTRICT	12/17/89	3118.88
LAPPE	MICHAEL	POLICE OFFICER	SIXTEENTH DISTRICT	4/23/88	779.10
LATHAM	THOMAS	POLICE OFFICER	FIFTEENTH DISTRICT	5/02/90	250.00
LAW	VICTOR B	POLICE OFFICER	FOURTH DISTRICT	12/02/89	250.00
LAW	VICTOR B	POLICE OFFICER	FOURTH DISTRICT	4/25/90	1217.95
LEADER	KAREN S	POLICE OFFICER	NINETEENTH DISTRICT	5/17/90	20.00
LEE	JIMMY	POLICE OFFICER	FIRST DISTRICT	1/18/90	314.50
LEE	MARY E	POLICE OFFICER	TWENTY-FIRST DISTRICT	6/10/90	69.00
LEONI	REMO E	POLICE OFFICER	TWENTY-THIRD DISTRICT	6/17/90	108.10
LEOS	RALPH	POLICE OFFICER	DETAIL UNIT	6/23/90	146.60
LEUNG	SUN WING	POLICE OFFICER	TWENTIETH DISTRICT	1/24/90	136.40
LINDLEY	LORRIE	POLICE OFFICER	SIXTH DISTRICT	5/30/90	451.20
LIVERGOOD	GEORGE P	POLICE OFFICER	OHARE LAW ENFORCEMENT	6/12/90	506.94
LOGWOOD	ALONZO	POLICE OFFICER	SIXTH DISTRICT	6/05/90	885.00
LONGLEY	CLARENCE	POLICE OFFICER	YOUTH DIVISION AREA THREE	6/30/90	165.00
LOONEY	KAREN	POLICE OFFICER	TWENTY-FIRST DISTRICT	6/24/90	354.00
LOPEZTELLO	GEORGE E	POLICE OFFICER	TWENTY-THIRD DISTRICT	3/01/90	717.50
LOTTS	STEPHEN	POLICE OFFICER	NINETEENTH DISTRICT	6/11/90	416.00
LUCAS	ALAN H	POLICE OFFICER	FOURTEENTH DISTRICT	6/07/90	281.25
LUCAS	KEVIN J	POLICE OFFICER	ELEVENTH DISTRICT	5/30/90	100.00
MACCHIAROLI-BURT	DEBBIE L	POLICE OFFICER	THIRTEENTH DISTRICT	6/30/90	431.00
MADISON	SUSAN	POLICE OFFICER	SIXTH DISTRICT	7/14/90	40.00
MAHON	JOHN W	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	9/06/89	105.00
MALCOTTE	JAMES H	SERGEANT	THIRTEENTH DISTRICT	11/22/84	75.00
MALEC	CAROL	POLICE OFFICER	ELEVENTH DISTRICT	7/09/90	65.00
MANN	CAROL	POLICE OFFICER	FOURTH DISTRICT	5/27/90	430.50
MARKHAM	JIMMIE	POLICE OFFICER	ELEVENTH DISTRICT	5/15/89	17.00
MARTIN	DONALD	POLICE OFFICER	SIXTH DISTRICT	7/07/90	632.10
MARTIN	JAMES K	POLICE OFFICER	PUBLIC HOUSING DIVISION-NORTH	7/28/90	69.75
MARTINEZ	GEORGE	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/05/90	134.00
MARTINEZ	MARIA P	POLICE OFFICER	THIRTEENTH DISTRICT	6/25/90	211.00
MATHESON	LANDON	POLICE OFFICER	TWENTIETH DISTRICT	5/29/90	10070.60
MATHEWS	LARRY W	POLICE OFFICER	THIRTEENTH DISTRICT	6/04/90	145.00
MATTHEWS	ERROL A	POLICE OFFICER	THIRD DISTRICT	9/16/86	732.50
MATURA	GREGORY F	POLICE OFFICER	SEVENTH DISTRICT	3/29/88	101.48
MATUSZAK	HAROLD M	POLICE OFFICER	NINTH DISTRICT	11/18/89	45.00
MAXWELL	RICHARD	POLICE OFFICER	TWELFTH DISTRICT	9/16/89	180.00
MCBRIDE	MICHAEL	POLICE OFFICER	SIXTH DISTRICT	10/01/89	45.00
MCCAFFERTY	PATRICK J	POLICE OFFICER	AUTO THEFT SECTION	5/22/89	56.00
MCCALL	FRANCIS H	POLICE OFFICER	THIRD DISTRICT	1/08/90	2087.00
MCCANN	JOHN E	POLICE OFFICER	DETECTIVE DIV AREA 3 VIOLENT C	2/14/89	33.00
MCCARTHY	JOHN S	POLICE OFFICER	FIRST DISTRICT	8/20/89	100.00
MCCARTHY	MARGUERITE M	POLICE OFFICER	TWENTY-THIRD DISTRICT	2/16/90	448.50
MCCORKLE	CHARLES A	POLICE OFFICER	EIGHTEENTH DISTRICT	6/19/90	309.50
MCDERMOTT	DONNA	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/17/90	149.50
MCDERMOTT	THOMAS B	POLICE OFFICER	SECOND DISTRICT	6/05/90	267.40

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MCDONALD	DANIEL J	POLICE OFFICER	PUBLIC HOUSING DIVISION-NORTH	6/30/90	234.80
MCFADDEN	ROBERT	POLICE OFFICER	NINETEENTH DISTRICT	8/15/90	78.00
MCGRIFF	ROBERT L	POLICE OFFICER	SECOND DISTRICT	6/09/90	355.60
MCHUGH	DANIEL	POLICE OFFICER	SIXTEENTH DISTRICT	6/01/90	186.20
MCKENZIE	ROBIN V	POLICE OFFICER	THIRD DISTRICT	5/30/90	120.00
MCKEONE	JOHN	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	2/21/89	34.00
MCLAIN	RONALD	POLICE OFFICER	THIRTEENTH DISTRICT	6/23/89	45.00
MCLEAN	JAMES L	POLICE OFFICER	FIFTEENTH DISTRICT	6/01/90	181.00
MCNULTY	KEVIN J	POLICE OFFICER	EIGHTEENTH DISTRICT	4/02/90	75.50
MEAD	GERALD	POLICE OFFICER	SIXTEENTH DISTRICT	7/17/90	33.00
MEDOW	BRANDON	POLICE OFFICER	TWENTY-THIRD DISTRICT	10/26/89	100.00
MERCADO	AMANDO	POLICE OFFICER	THIRTEENTH DISTRICT	7/04/89	35.00
MEYER	EDWARD	POLICE OFFICER	TENTH DISTRICT	4/24/90	150.00
MICKELBOROUGH	JAMES M	POLICE OFFICER	PUBLIC HOUSING DIVISION-NORTH	3/24/82	50.00
MIERNICZAK	RICHARD	POLICE OFFICER	FOURTH DISTRICT	7/01/90	316.90
MILAM-KWAK	MARY JO	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	5/12/90	55.00
MILDICE	JOHN J	POLICE OFFICER	DETAIL UNIT	5/29/90	80.00
MILLER	HORACE	POLICE OFFICER	TENTH DISTRICT	6/18/90	123.50
MILLER	KIMBERLY	POLICE OFFICER	RECRUIT TRAINING	6/09/90	132.00
MITCHELL	MARLON S	POLICE OFFICER	SIXTH DISTRICT	1/02/90	135.00
MITIDIERO	JAMES H	POLICE OFFICER	FIFTH DISTRICT	6/19/90	335.00
MITZNER	ROBERT P	POLICE OFFICER	EIGHTEENTH DISTRICT	12/25/89	1284.00
MORAWSKI	JAMES	POLICE OFFICER	NINETEENTH DISTRICT	6/22/90	72.40
MORELLI	ALEX	POLICE OFFICER	FOURTEENTH DISTRICT	6/25/90	367.00
MORRISON	JAMES E	POLICE OFFICER	THIRD DISTRICT	6/02/90	1389.40
MULLIGAN	NANCY J	POLICE OFFICER	SEVENTH DISTRICT	4/07/90	35.00
MUNIZZI	JAMES	POLICE OFFICER	EIGHTH DISTRICT	6/09/90	70.00
MURPHY	GERARD	POLICE OFFICER	TENTH DISTRICT	7/03/90	559.38
MURPHY	KEVIN	POLICE OFFICER	NINETEENTH DISTRICT	7/08/90	319.00
MUSHOL	DENNIS J	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/10/89	418.70
MYLES	DOLORES	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/17/90	149.50
NASH	DENNIS	POLICE OFFICER	FIFTEENTH DISTRICT	6/07/90	157.41
NASH	SANDY L	POLICE OFFICER	CENTRAL DETENTION SECTION	1/11/90	1520.00
NAWROCKI	CHARLES E	POLICE OFFICER	EIGHTH DISTRICT	5/26/90	1478.75
NEAL	EDGAR A	POLICE OFFICER	FIFTH DISTRICT	6/09/90	466.75
NELSON	LAURENCE J	POLICE OFFICER	ELEVENTH DISTRICT	6/08/90	2385.50
NELSON	RICHARD W	SERGEANT	TWENTY-FIFTH DISTRICT	9/17/83	1560.00
NIEVES	MIGUEL	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/23/90	171.20
NOWAK	PHILLIP	POLICE OFFICER	TWENTY-SECOND DISTRICT	10/29/87	464.20
NOWAKOWSKI	JOHN	POLICE OFFICER	ELEVENTH DISTRICT	7/13/90	249.00
NOWELLS	STEPHAN	POLICE OFFICER	THIRD DISTRICT	5/30/90	145.80
NOWLIN	JAMES R	POLICE OFFICER	ELEVENTH DISTRICT	7/25/90	389.50
NYBLOM	DIANE M	POLICE OFFICER	TWENTY-FIRST DISTRICT	6/28/90	107.60
OBRIEN	ROGER J	POLICE OFFICER	EIGHTEENTH DISTRICT	7/31/90	273.00
OCARROLL	DONAL R	POLICE OFFICER	TWENTIETH DISTRICT	6/14/90	228.75
ODONNELL	JOHN	POLICE OFFICER	TWENTY-THIRD DISTRICT	5/29/90	16.00
ODONNELL	JOHN F	POLICE OFFICER	SIXTEENTH DISTRICT	7/03/90	503.50
OHSE	RORY J	POLICE OFFICER	TENTH DISTRICT	10/20/89	210.00
OLEARY	JOHN	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/06/90	236.25

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OLSON	JOHN C	POLICE OFFICER	TWELFTH DISTRICT	7/25/90	168.00
OLSZEWSKI	MARK A	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/11/90	488.50
ONUSZKO	JANICE	POLICE OFFICER	RECRUIT TRAINING	5/10/90	949.00
OREILLY	WILLIAM J	POLICE OFFICER	SIXTEENTH DISTRICT	7/03/90	503.00
ORICK	CHARLES	POLICE OFFICER	TWELFTH DISTRICT	3/27/90	35.00
ORTIZ	BRADUL	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	2/11/90	461.60
ORTIZ	JORGE	POLICE OFFICER	TWELFTH DISTRICT	7/24/90	180.00
ORTON	JOHN	POLICE OFFICER	ELEVENTH DISTRICT	7/15/90	208.00
OSHEA	WILLIAM J	POLICE OFFICER	TWENTY-FOURTH DISTRICT	12/15/89	2675.50
OTTEN	MARVIN F	POLICE OFFICER	FOURTH DISTRICT	12/20/89	135.00
OZNOFF	ROBERT P	POLICE OFFICER	TWENTIETH DISTRICT	6/27/90	93.10
OZNOFF	ROBERT P	POLICE OFFICER	TWENTIETH DISTRICT	7/17/90	343.00
PALCZYNSKI	RAYMOND	POLICE OFFICER	ELEVENTH DISTRICT	7/08/90	309.75
PALKA	CHARLES J	POLICE OFFICER	RECRUIT TRAINING	2/16/90	806.50
PALMER	RONALD A	POLICE OFFICER	DETECTIVE DIV AREA 3 VIOLENT C	11/25/89	50.00
PALMER	RONALD A	POLICE OFFICER	DETECTIVE DIV AREA 3 PROPERTY	8/12/88	50.00
PAOLONE	EMIL S	POLICE OFFICER	THIRD DISTRICT	7/20/90	350.00
PARTIPILO	MICHAEL J	POLICE OFFICER	FIFTEENTH DISTRICT	6/14/90	388.00
PATROS	SPIRO	POLICE OFFICER	FIFTH DISTRICT	4/13/84	130.00
PAVIS	ANTHONY J	POLICE OFFICER	NINETEENTH DISTRICT	7/14/90	208.00
PAVIS-SCOTT	JANICE	POLICE OFFICER	TWENTY-FIFTH DISTRICT	3/28/90	90.00
PAVIS-SCOTT	JANICE	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/17/90	89.50
PAVLIK	WILLIAM V	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/15/90	270.50
PEARSON	BRUCE W	POLICE OFFICER	TWENTY-FIFTH DISTRICT	4/02/90	413.09
PEARSON	BRUCE W	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/01/90	27.50
PERGANDE	ALAN R	POLICE OFFICER	SEVENTEENTH DISTRICT	1/20/90	319.75
PESTKA	JANET L	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/01/90	59.50
PETERSON	ARNOLD	POLICE OFFICER	TWENTIETH DISTRICT	12/21/89	135.00
PETERSON	DARIA	POLICE OFFICER	RECRUIT TRAINING	4/12/90	65.00
PHILLIPS	PAUL	POLICE OFFICER	FIFTH DISTRICT	12/30/89	135.00
PICKETT	GLENN	POLICE OFFICER	TENTH DISTRICT	7/09/90	197.50
PIENTA	ROBERT D	POLICE OFFICER	ELEVENTH DISTRICT	5/03/90	1075.00
PIERSON	HOWARD	POLICE OFFICER	TWENTY-THIRD DISTRICT	5/29/90	67.00
PIKE	SUSAN A	POLICE OFFICER	NINETEENTH DISTRICT	7/30/90	762.30
PIKULA	DAVID A	POLICE OFFICER	SEVENTH DISTRICT	1/31/90	136.00
PILIPUF	CYNTHIA	POLICE OFFICER	ELEVENTH DISTRICT	7/25/90	90.00
PODBORNY	DWAYNE	POLICE OFFICER	TWENTY-THIRD DISTRICT	6/15/90	318.40
PONNE	THOMAS P	POLICE OFFICER	FOURTH DISTRICT	10/16/88	870.00
PORTER	ATTANASSIO	POLICE OFFICER	SIXTH DISTRICT	7/01/90	195.00
PRESNELL	KATHLEEN	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/11/90	330.50
PROKOP	MICHAEL	POLICE OFFICER	TENTH DISTRICT	11/13/89	50.00
PROKOP	MICHAEL	POLICE OFFICER	TENTH DISTRICT	10/05/89	199.00
PYE	KEVIN	POLICE OFFICER	FIFTH DISTRICT	7/14/90	251.00
QUARLES	GLADYS	POLICE OFFICER	THIRD DISTRICT	2/17/90	84.00
RADTKE	PAUL	POLICE OFFICER	NINTH DISTRICT	6/14/90	337.00
RAMSEY	ANDERSON	POLICE OFFICER	SIXTH DISTRICT	3/22/89	133.00
RAPIEN	LAWRENCE	POLICE OFFICER	FIFTH DISTRICT	6/30/90	254.00
REID	ROBERT G	POLICE OFFICER	EIGHTEENTH DISTRICT	5/26/90	20.00
RESENDEZ	JESSE	POLICE OFFICER	THIRTEENTH DISTRICT	8/24/88	55.00

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REYES	JOHN	POLICE OFFICER	TWELFTH DISTRICT	6/26/90	374.00
REYNOLDS	MICHAEL	POLICE OFFICER	SIXTEENTH DISTRICT	6/16/90	449.00
RICCELLI	JOSEPH S	POLICE OFFICER	EIGHTH DISTRICT	6/24/90	79.30
RICHARDS	MARK	POLICE OFFICER	ELEVENTH DISTRICT	6/20/90	312.00
RICHARDSON	THOMAS J	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	3/10/90	285.00
RIGA	WILLIAM A	POLICE OFFICER	TWENTY-FIFTH DISTRICT	11/29/89	429.00
ROBBINS	STEVEN M	POLICE OFFICER	FIRST DISTRICT	6/23/90	231.00
ROBINSON	HERMAN	POLICE OFFICER	SIXTH DISTRICT	12/27/89	50.00
RODRIGUEZ	JESSE	POLICE OFFICER	TWELFTH DISTRICT	6/02/90	367.00
RODRIGUEZ	NORBERTO	POLICE OFFICER	THIRTEENTH DISTRICT	11/22/89	53.00
ROLON	TOMMY	POLICE OFFICER	THIRTEENTH DISTRICT	6/27/90	229.00
ROMAN	WILFREDO	POLICE OFFICER	ELEVENTH DISTRICT	5/22/90	95.00
ROSE	DONALD	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/19/90	140.55
ROSIAK	EDMUND J	POLICE OFFICER	FOURTH DISTRICT	11/03/88	141.00
ROUBAS	TED J	POLICE OFFICER	OHARE LAW ENFORCEMENT	6/26/90	149.15
ROWLAND	CISCO	POLICE OFFICER	SIXTH DISTRICT	6/16/90	112.95
RUCK	WILLIAM K	POLICE OFFICER	TWENTY-FOURTH DISTRICT	12/16/89	190.00
RUNYAN	JACK	POLICE OFFICER	EIGHTEENTH DISTRICT	4/18/85	316.00
RYAN	JAMES	POLICE OFFICER	NINTH DISTRICT	5/26/90	3020.40
RYAN	RICHARD	POLICE OFFICER	TWENTY-FOURTH DISTRICT	1/01/90	360.00
RYAN	RONALD P	POLICE OFFICER	NINETEENTH DISTRICT	6/16/90	572.05
SACCENTE	PHILLIP J	POLICE OFFICER	FIFTEENTH DISTRICT	6/17/90	782.00
SADOWSKI	JAMES	POLICE OFFICER	FOURTEENTH DISTRICT	6/01/90	281.00
SAENZ	FRANCIS F	POLICE OFFICER	FOURTEENTH DISTRICT	5/23/90	102.50
SANDERS	KIRKLAND K	POLICE OFFICER	FIFTH DISTRICT	6/05/90	159.00
SARTORI	MICHAEL	POLICE OFFICER	SIXTH DISTRICT	3/15/90	793.00
SCALETTA	MICHAEL G	POLICE OFFICER	TWENTIETH DISTRICT	4/18/90	15.00
SCANNELL	JAMES	POLICE OFFICER	SECOND DISTRICT	4/04/90	2010.10
SCHELL	GEORGE F	POLICE OFFICER	FOURTH DISTRICT	6/11/90	235.00
SCHMITT	WILLIAM	POLICE OFFICER	FOURTEENTH DISTRICT	5/24/90	5846.75
SCHNOTALA	KENNETH	POLICE OFFICER	SEVENTEENTH DISTRICT	6/28/90	429.50
SENIOR	CURTIS	POLICE OFFICER	FOURTH DISTRICT	7/19/79	220.00
SEUFERT	PETER	POLICE OFFICER	EIGHTH DISTRICT	8/31/90	501.04
SEYFERT	EUGENE	POLICE OFFICER	THIRTEENTH DISTRICT	3/22/90	95.00
SHANNON	CAD	POLICE OFFICER	YOUTH DIVISION AREA ONE	1/01/89	18.00
SHANNON	THOMAS	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	3/14/90	320.00
SHAW	JOHN W	POLICE OFFICER	TWENTY-SECOND DISTRICT	6/13/90	394.90
SHEEHAN	THOMAS	POLICE OFFICER	FOURTEENTH DISTRICT	3/12/90	217.00
SIMMONS	BEVERLY	POLICE OFFICER	TENTH DISTRICT	2/13/90	60.00
SKAHILL	ROBERT	POLICE OFFICER	SECOND DISTRICT	5/16/90	294.00
SKIPPER	KAREN	POLICE OFFICER	RECRUIT TRAINING	3/29/90	616.00
SKWARSKI-ROWAN	BARBARA A	POLICE OFFICER	YOUTH DIVISION AREA FIVE	9/14/89	545.00
SLOWIK	JOSEPH M	POLICE OFFICER	FIRST DISTRICT	7/26/90	515.75
SMIGLA	LAWRENCE	POLICE OFFICER	TWENTY-FIFTH DISTRICT	12/14/89	300.00
SMITH	CHARLES M	POLICE OFFICER	TRAFFIC SAFETY AND TRAINING UN	7/03/85	145.00
SMITH	RONALD C	POLICE OFFICER	FIFTH DISTRICT	3/06/90	65.00
SMITH	WAYNE	POLICE OFFICER	ELEVENTH DISTRICT	3/21/90	65.00
SOBOLEWSKI	ANDREW G	POLICE OFFICER	DETECTIVE DIV AREA 6 VIOLENT C	2/10/90	50.00
SODERGREN	STEPHEN	POLICE OFFICER	THIRTEENTH DISTRICT	6/04/90	229.00

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SPADONI	ROBERT E	POLICE OFFICER	FIRST DISTRICT	12/02/89	35.00
SPECK	PETER F	POLICE OFFICER	TWENTY-FIRST DISTRICT	2/16/90	19.00
SPIEGEL	ROBERT J	POLICE OFFICER	EIGHTH DISTRICT	6/21/90	164.10
SPRINGER	CHARLES	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	4/20/90	64.00
SPURLOCK	LESLIE E	POLICE OFFICER	THIRD DISTRICT	3/26/90	50.00
STACK	THOMAS P	POLICE OFFICER	TWENTY-THIRD DISTRICT	4/14/90	16.00
STANEK	MARY ANN	POLICE OFFICER	FIFTH DISTRICT	6/16/87	55.00
STANTON	PATRICIA	POLICE OFFICER	NINETEENTH DISTRICT	6/16/90	220.30
STEWART	JACKIE	POLICE OFFICER	SIXTH DISTRICT	1/14/83	88.00
STOLL	CARL B	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	11/08/89	175.00
STRANSKI	THOMAS G	POLICE OFFICER	FOURTEENTH DISTRICT	4/28/90	126.00
STRATTON	STEPHEN	POLICE OFFICER	DETECTIVE DIV AREA 6 VIOLENT C	1/18/90	160.00
STROMEK	WALTER F	POLICE OFFICER	MARINE UNIT	9/16/89	225.00
STRZALKA	ROBERT	POLICE OFFICER	EIGHTEENTH DISTRICT	3/06/89	2135.25
SUDIS	CHARLES H	POLICE OFFICER	OHARE LAW ENFORCEMENT	6/24/90	188.40
SULLIVAN	ANNE	POLICE OFFICER	FOURTEENTH DISTRICT	6/25/90	547.50
SULLIVAN	MICHAEL	POLICE OFFICER	NINTH DISTRICT	6/08/90	46.00
SULLIVAN	THEODORE	POLICE OFFICER	EIGHTEENTH DISTRICT	4/28/90	1135.00
SWAN	THOMAS J	POLICE OFFICER	YOUTH DIVISION AREA FIVE	2/17/89	68.00
SWOOPE	THOMAS E	POLICE OFFICER	FIFTH DISTRICT	4/24/90	900.00
SZURA	WILLIAM	POLICE OFFICER	TENTH DISTRICT	10/29/88	136.50
TAYLOR	NORMAN G	POLICE OFFICER	SEVENTEENTH DISTRICT	6/15/90	50.00
TAYLOR	ROBERT E	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	6/10/90	193.50
TOLLEY	JOHN F	POLICE OFFICER	FOURTH DISTRICT	4/22/90	639.00
TOMACELLI	SERGEO	POLICE OFFICER	SEVENTEENTH DISTRICT	10/23/89	150.00
TOMASIK	RONALD	POLICE OFFICER	RECRUIT TRAINING	2/06/90	301.00
TOMASZEWSKI	LOIS C	POLICE OFFICER	SEVENTEENTH DISTRICT	11/11/89	78.00
TREMAINE	TIMOTHY	POLICE OFFICER	TRAINING DIVISION	3/10/90	70.00
TRIFILIO	LOUIS A	POLICE OFFICER	AUTO THEFT SECTION	6/01/90	554.00
TRLAK	ROBERT	POLICE OFFICER	RECRUIT TRAINING	1/30/90	462.00
TROCHE	RANDY D	POLICE OFFICER	FOURTEENTH DISTRICT	4/07/90	272.50
TURANO	RACHELLE J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/01/90	28.50
TURANO	RACHELLE J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/18/90	156.19
TURANO	RACHELLE J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	8/11/89	35.00
TUREK	LINDA	POLICE OFFICER	RECRUIT TRAINING	5/01/90	300.00
UTZ	CHARLES	POLICE OFFICER	NINTH DISTRICT	6/04/90	102.00
VACCARO	BRUCE	POLICE OFFICER	OHARE LAW ENFORCEMENT	6/12/90	6473.06
VALIENT	BRIDGET	POLICE OFFICER	SEVENTH DISTRICT	3/25/90	1400.50
VALLES	JESSE S	POLICE OFFICER	TWENTY-THIRD DISTRICT	4/30/90	360.50
VEGA	LOUIS	POLICE OFFICER	FIFTH DISTRICT	6/24/90	137.72
VELEZ	HERMES	POLICE OFFICER	THIRTEENTH DISTRICT	12/23/89	14723.02
VICK	JOHN	POLICE OFFICER	TWENTY-FIRST DISTRICT	4/19/90	7.00
VISOR	ROY	POLICE OFFICER	SIXTH DISTRICT	6/24/90	131.90
VOIGHT	ROBERT E	POLICE OFFICER	THIRD DISTRICT	6/10/90	189.00
WAGNER	BURT	POLICE OFFICER	EIGHTEENTH DISTRICT	1/25/90	455.84
WALKER	JOEL D	POLICE OFFICER	EIGHTH DISTRICT	5/16/90	327.00
WALKER	RONALD	POLICE OFFICER	TWENTIETH DISTRICT	7/31/90	173.00
WALLACE	RONALD J	POLICE OFFICER	PUBLIC HOUSING DIVISION-SOUTH	6/15/90	247.80
WALSH	JAMES M	POLICE OFFICER	YOUTH DIVISION AREA THREE	6/22/90	274.60

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WALTON	ISOM L	POLICE OFFICER	FIFTH DISTRICT	6/05/90	43.50
WALTON	THOMAS M	POLICE OFFICER	TWENTIETH DISTRICT	1/01/88	55.00
WICKRAMASEKERA	CHARLES T	POLICE OFFICER	NINTH DISTRICT	2/08/90	450.00
WIECHERT	PAUL	POLICE OFFICER	IDENTIFICATION SECTION	6/15/90	145.00
WIKTOREK	MARK C	POLICE OFFICER	FOURTEENTH DISTRICT	4/27/90	373.50
WILINSKI	STEPHEN J	POLICE OFFICER	TWENTY-FIRST DISTRICT	3/04/90	665.00
WILKINSON	ROBERT	POLICE OFFICER	SEVENTEENTH DISTRICT	6/07/90	50.00
WILLIAMS	CHARLES	POLICE OFFICER	FIRST DISTRICT	6/20/90	1709.00
WILLIAMS	CHARLES M	POLICE OFFICER	THIRD DISTRICT	12/30/89	1588.00
WILLIAMS	DELORES M	POLICE OFFICER	THIRTEENTH DISTRICT	5/29/90	603.70
WILLIAMS	RAPUNZEL A	POLICE OFFICER	NINETEENTH DISTRICT	6/03/90	255.50
WILLIAMS	ROBERT	POLICE OFFICER	TWELFTH DISTRICT	5/03/90	322.81
WILLIAMSON	JAMES	POLICE OFFICER	NINTH DISTRICT	6/20/90	421.00
WILLINGHAM	DALE	POLICE OFFICER	SEVENTH DISTRICT	5/20/90	175.25
WILLOUGHBY	DARRELL	POLICE OFFICER	NINETEENTH DISTRICT	6/03/90	75.50
WILSON	STEVEN C	POLICE OFFICER	NINTH DISTRICT	5/17/90	760.00
WINTERS-DANIEL	LETINA	POLICE OFFICER	SEVENTH DISTRICT	1/30/90	85.00
WOJCIK	ANTHONY T	POLICE OFFICER	FOURTEENTH DISTRICT	6/19/90	348.00
WOODSON	HENERY A	POLICE OFFICER	RECRUIT TRAINING	4/24/90	2304.50
WOZNY	ROMAN R	POLICE OFFICER	ENFORCEMENT SECTION	1/09/82	125.00
WOZNY	ROMAN R	POLICE OFFICER	TRAFFIC COURT SECTION	5/30/89	50.00
WRIGHT	ERNEST M	POLICE OFFICER	UNKNOWN	4/24/90	508.00
WRIGHT	GERALD L	POLICE OFFICER	SIXTH DISTRICT	4/21/89	310.00
YAMASHIROYA	GARY H	POLICE OFFICER	TWENTIETH DISTRICT	10/03/88	500.00
YATES	KAREN A	POLICE OFFICER	YOUTH DIVISION AREA SIX	6/12/90	240.00
YOSHIMURA	EDDIE	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	5/20/90	202.50
YOUNG	GREGORY I	POLICE OFFICER	FIFTEENTH DISTRICT	6/14/90	841.50
ZARAGOZA	ANGEL	POLICE OFFICER	EIGHTEENTH DISTRICT	6/19/90	1083.25
ZAVOLOKOFF	NICHOLAS	POLICE OFFICER	NINETEENTH DISTRICT	6/30/85	130.00
ZDZIARSKI	ANTHONY S	POLICE OFFICER	TENTH DISTRICT	6/18/90	1446.50
ZORKO	KATHLEEN A	POLICE OFFICER	TWENTIETH DISTRICT	1/21/90	275.71
AGUINAGA	JAMES	ENGINEER	DISTRICT RELIEF 1	7/29/90	118.40
ALTMAN	JAMES	FIREFIGHTER	SQUAD 5	4/25/90	864.00
ANIOLOWSKI	KENNETH	LIEUTENANT	ENGINE COMPANY 76	6/11/90	30.00
BAILEY	CHARLES	FIREFIGHTER	ENGINE COMPANY 82	5/01/90	5648.89
BAKER	PAT	FIREFIGHTER	ENGINE COMPANY 29	8/17/90	119.00
BANKS	THOMAS S	FIREFIGHTER	SQUAD 2	7/04/90	526.75
BAUKNECHT	RICHARD	PARAMEDIC	DISTRICT RELIEF 1	2/19/90	226.25
BAUTISTA	MIGUEL	FIREFIGHTER	ENGINE COMPANY 56	6/10/90	275.00
BELL	DENNIS	FIREFIGHTER	TRUCK 51	5/08/75	500.00
BERNARD	JAMES	FIREFIGHTER	ENGINE COMPANY 162	8/06/90	319.00
BERTINI	ANTHONY	FIREFIGHTER	ENGINE COMPANY 76	11/02/89	53.00
BERTOG	FRANK	FIREFIGHTER	ENGINE COMPANY 70	6/05/90	74.00
BIASI	LARRY R	LIEUTENANT	ENGINE COMPANY 78	5/16/90	150.00
BIENEMAN	RICHARD	LIEUTENANT	ENGINE COMPANY 79	4/15/89	108.00
BOEHM	RONALD	LIEUTENANT	ENGINE COMPANY 23	11/20/89	3408.20
BORCHEK	PETER	CAPTAIN	ENGINE COMPANY 110	1/10/82	34.00
BREAUX	DANIEL	PARAMEDIC	AMBULANCE 7	6/12/90	1396.50
BRIM	FRANK	FIREFIGHTER	ENGINE COMPANY 38	8/20/90	186.00

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BROWN	ANDRE	FIREFIGHTER	ENGINE COMPANY 46	7/04/90	291.50
CAHILL	DENNIS	FIREFIGHTER	TRUCK 49	8/02/90	409.00
CHIMINO	DAVID	FIREFIGHTER	DISTRICT RELIEF 1	8/27/90	243.00
CIAFAS	VICTOR	PARAMEDIC	EMS DISTRICT 6 HEADQUATERS & R	7/10/90	344.70
CISMESIA	JAMES	FIREFIGHTER	ENGINE COMPANY 38	8/15/90	90.00
COCCARO	JOSEPH	LIEUTENANT	ENGINE COMPANY 80	8/24/90	283.10
COCHRAN	DARLENE	PARAMEDIC	UNKNOWN	7/06/89	55.00
CONSOLA	CHARLES	FIREFIGHTER	ENGINE COMPANY 86	8/09/90	248.59
CORDT	ROBERT	PARAMEDIC	DISTRICT RELIEF 2	7/29/90	102.50
CORRIGAN	HAROLD	CAPTAIN	BATTALION 1/ENGINE COMPANY 13	8/18/90	945.00
COSTANTINI	JOHN	FIREFIGHTER	EMS DISTRICT 4 HEADQUARTERS &	4/25/90	2865.00
COZZI	DANIEL	FIREFIGHTER	TRUCK 5	11/20/89	1511.57
CULLEN	RAYMOND A	FIREFIGHTER	TRUCK 44	7/29/90	2556.58
CUNNINGHAM	EDWARD	CAPTAIN	TRUCK 36	8/25/90	140.00
DAVIS	HERBERT G	PARAMEDIC	AMBULANCE 18	4/06/90	865.50
DEHLER	ROBERT	FIREFIGHTER	ENGINE COMPANY 7	3/09/90	1231.50
DELANA	TIMOTHY F	PARAMEDIC	AMBULANCE 47	7/15/90	3279.20
DENEEN	DANIEL	FIREFIGHTER	TRUCK 47	9/25/88	70.00
DEVINE	WILLIAM	FIREFIGHTER	ENGINE COMPANY 8	7/11/90	184.50
DILL	CORNELIUS	PARAMEDIC	TRUCK 25	11/29/89	4050.40
DOLIBOIS	MARK	FIREFIGHTER	TRUCK 25	12/03/89	30.00
DOTY	ROBERT F	PARAMEDIC	AMBULANCE 22	6/27/90	1210.00
DOTY	ROBERT F	PARAMEDIC	AMBULANCE 22	4/22/90	166.00
DOWDALL	MATTHEW	FIREFIGHTER	ENGINE COMPANY 43	7/28/90	232.50
DOYLE	DANIEL	CAPTAIN	BATTALION 23	1/15/89	45.00
EARL	PHYLISS	FIREFIGHTER	TRUCK 10	7/14/88	1819.25
EVANS	HOLMAN	PARAMEDIC	AMBULANCE 37	5/27/90	75.50
FISCHL	JACK	CAPTAIN	TRUCK 40	6/27/90	3394.00
FOLAK	JOHN	FIREFIGHTER	TRUCK 48	7/05/90	1776.00
FOLEY	CORNELIUS	FIREFIGHTER	ENGINE COMPANY 102	7/26/89	149.50
FOLEY	MICHAEL	FIREFIGHTER	ENGINE COMPANY 38	6/30/90	355.00
FORMAN	MARTIN	PARAMEDIC	AMBULANCE 27	7/02/90	287.00
FOSTER	PAMELA	FIREFIGHTER	ENGINE COMPANY 116	6/19/90	66.50
FRICKS	GREGORY	PARAMEDIC	UNKNOWN	7/04/90	161.00
GALAN	JOSE	FIREFIGHTER	TRUCK 2	3/11/90	205.00
GANTA	EDWARD	FIREFIGHTER	TRUCK 35	8/16/90	643.05
GARDLEY	MAMIE	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	7/22/90	111.00
GARDNER	TIMOTHY	FIREFIGHTER	AMBULANCE 4	7/15/90	109.00
GARR	BARRY	FIREFIGHTER	TRUCK 7	12/18/89	50.00
GILLEN	MARK	FIREFIGHTER	TRUCK 27	5/27/90	504.75
GIORDANO	JOHN	FIREFIGHTER	ENGINE COMPANY 125	7/24/90	191.75
GLOVER	GERALD	FIREFIGHTER	ENGINE COMPANY 72	6/26/90	513.00
GOLDSMITH	DREWONE	ENGINEER	TRUCK 26	3/04/90	215.00
GOODMAN	PAUL	PARAMEDIC	AMBULANCE 3	7/14/90	325.75
GRAHAM	KENNETH	FIREFIGHTER	ENGINE COMPANY 69	8/31/90	47.00
GREER	CHARLES	FIREFIGHTER	TRUCK 25	5/02/90	95.00
HACKER	WILLIAM	FIREFIGHTER	TRUCK 51	7/09/90	67.50
HALL	DAVID	PARAMEDIC	AMBULANCE 33	5/02/89	195.00
HAMILTON	EDWARD	FIREFIGHTER	UNKNOWN	4/27/90	62.10

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HANKS	TIMOTHY	PARAMEDIC	AMBULANCE 15	9/21/89	375.00
HARLAND	SHAWN	PARAMEDIC	EMS DISTRICT 6 HEADQUATERS & R	11/23/89	282.00
HARPER	ROBERT	FIREFIGHTER	ENGINE COMPANY 76	1/16/90	3728.75
HAUSER	ROY	FIREFIGHTER	TRUCK 31	5/04/84	15.75
HEIERLING	ELIZABETH	PARAMEDIC	EMS CITY WIDE RELIEF	11/22/80	35.00
HERBERG	RUSSELL	PARAMEDIC	AMBULANCE 36	6/11/90	243.00
HERMAN	JOHN	LIEUTENANT	ENGINE COMPANY 49	6/06/89	526.00
HERRERA	ROBERTO	FIREFIGHTER	TRUCK 32	8/15/90	185.00
HETLAND	JOHN	FIREFIGHTER	ENGINE COMPANY 71	7/10/90	162.75
HILL	MICHAEL	FIREFIGHTER	TRUCK 24	7/20/90	1207.95
HOFFLANDER	DENNIS	FIREFIGHTER	ENGINE COMPANY 80	6/04/90	18198.11
HOLLAND	CORTEZ	LIEUTENANT	SQUAD 2	8/14/90	799.75
HOOKER	MICHAEL	LIEUTENANT	DISTRICT RELIEF 6	4/08/88	40.00
HORTON	JUAN	FIREFIGHTER	TRUCK 18	7/23/90	223.00
HUGHES	CHRIS	FIREFIGHTER	ENGINE COMPANY 97	12/11/89	20.00
HURLEY	JOHN	PARAMEDIC	EMS DISTRICT 5 HEADQUATERS & R	6/27/90	361.00
IRLWEG	ROLAND	FIREFIGHTER	TRUCK 21	8/13/90	121.80
JOHNSON	HERBERT	FIREFIGHTER	TRUCK 48	7/06/90	259.00
JONES	LEROY	FIREFIGHTER	ENGINE COMPANY 82	7/12/90	84.00
JURCAK	DONALD	FIREFIGHTER	ENGINE COMPANY 32	6/17/90	175.00
KALLIS	DEAN	PARAMEDIC	EMS DISTRICT 3 HEADQUATERS & R	7/12/90	355.75
KALLIS	DEAN	PARAMEDIC	AMBULANCE 20	6/27/90	93.50
KAMPWIRTH	DONALD	LIEUTENANT	DISTRICT HEADQUARTERS 2	8/11/90	387.25
KEHOE	PATRICK	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	7/19/90	97.00
KEITH	DENNIS	PARAMEDIC	AMBULANCE 26	7/28/90	188.00
KELLY	OWEN E	PARAMEDIC	AMBULANCE 21	6/02/90	364.20
KELTY	KENNETH	FIREFIGHTER	TRUCK 31	10/16/89	670.00
KESSELL	JANEEN P	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	6/06/88	62.79
KOCH	JEROME	FIREFIGHTER	TRUCK 14	7/08/90	314.00
KOCHNIARCZYK	MICHELLE	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	6/25/90	227.00
KONECKI	EDWARD	PARAMEDIC	AMBULANCE 22	5/06/90	852.00
KOUJOURIAN	THOMAS	FIREFIGHTER	ENGINE COMPANY 113	7/23/90	279.99
KRIZ	ROBERT	PARAMEDIC	AMBULANCE 47	7/19/90	348.75
KRUPA	RAYMOND	FIREFIGHTER	TRUCK 32	7/15/90	273.50
LAHEY	JAMES	CAPTAIN	ENGINE COMPANY 30	11/15/89	275.00
LAUESEN	TERRANCE T	FIREFIGHTER	TRUCK 22	6/04/90	29.35
LAWRENCE	DILLARD R.	FIREFIGHTER	ENGINE COMPANY 73	3/02/90	1237.50
LEIGH	MARJORIE	PARAMEDIC	EMS DISTRICT 3 HEADQUATERS & R	7/30/90	714.25
LIGUE	MICHAEL P	PARAMEDIC	UNKNOWN	1/06/90	127.00
LOBIANCO	MICHAEL	FIREFIGHTER	SQUAD 2	7/28/90	393.65
LOBIANCO	MICHAEL	FIREFIGHTER	SQUAD 2	8/22/90	193.75
LOWE	DOBY	LIEUTENANT	DISTRICT HDQ 6	5/08/90	487.00
LOZEAU-MURRAY	EVA	PARAMEDIC	DISTRICT RELIEF 3	7/05/89	10075.55
LYNCH	THOMAS	CAPTAIN	DISTRICT RELIEF 3	3/08/90	40.00
MAGEE	MICHAEL	FIREFIGHTER	ENGINE COMPANY 103	4/09/90	301.50
MALLOY	JOHN	FIREFIGHTER	ENGINE COMPANY 34	3/22/90	1400.00
MARTINEZ	JOSEPH	FIREFIGHTER	TRUCK 29	7/17/90	285.00
MCBRIDE	EUGENE	LIEUTENANT	UNKNOWN	1/08/90	5636.00
MCCORMACK	JERRY	FIREFIGHTER	ENGINE COMPANY 60	7/31/90	359.00

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MCCORMACK	THOMAS	FIREFIGHTER	TRUCK 26	6/13/90	1838.00
MCCULLOUGH	ROGER	FIREFIGHTER	TRUCK 33	7/26/89	320.00
MCDERMOTT	DANIEL	FIREFIGHTER	TRUCK 21	6/03/90	20.00
MCDONOUGH	DANIEL	FIREFIGHTER	UNKNOWN	7/25/90	197.00
MCGARRY	JOHN	FIREFIGHTER	TRUCK 48	7/16/90	252.00
MCGARRY	MICHAEL	PARAMEDIC	AMBULANCE 41	7/12/90	596.75
MCGUINNESS	PATRICK J	PARAMEDIC	AMBULANCE 21	7/06/90	210.00
MCKAY	ROBERT	FIREFIGHTER	TRUCK 40	2/19/90	1718.75
MCMAHON	PATRICK	ENGINEER	ENGINE COMPANY 117	10/26/89	35.00
MCMANUS	WILLIAM	LIEUTENANT	OFFICE OF THE FIRE COMMISSIONE	1/28/86	100.00
MCNAMARA	THOMAS	FIREFIGHTER	ENGINE COMPANY 1/42	3/20/71	3089.10
MCNAMARA	WILLIAM	LIEUTENANT	SQUAD 3	2/19/88	1179.00
MESCH	EDMUND	FIREFIGHTER	SQUAD 5	10/04/85	37.00
MEYER	WILLIAM	LIEUTENANT	TRUCK 26	7/16/90	790.20
MITCHELL	BARRY	FIREFIGHTER	ENGINE COMPANY 1/42	7/09/90	453.95
MORA	MERCEDES	PARAMEDIC	AMBULANCE 35	6/16/90	352.00
MORAN	FRANCIS	FIREFIGHTER	ENGINE COMPANY 126	5/17/90	37.00
MUELLER	FRANK	FIREFIGHTER	ENGINE COMPANY 59	12/03/89	30.00
MULROE	THOMAS	PARAMEDIC	EMS DISTRICT 2 HEADQUARTERS &	6/25/90	56.00
NEGOSKI	ROBERT	FIREFIGHTER	ENGINE COMPANY 28	8/08/90	230.80
NELMS	CHARLES	PARAMEDIC	UNKNOWN	7/04/90	16.00
NELSON	TIMOTHY	FIREFIGHTER	EMS DISTRICT 1 HEADQUATERS & R	7/06/90	80.00
NINCEVICH	MICHAEL	ENGINEER	ENGINE COMPANY 95	8/07/90	377.50
NISHIOKA	FRANK	PARAMEDIC	UNKNOWN	6/07/90	652.98
NORMAN	JAMES	FIREFIGHTER	TRUCK 51	8/23/90	99.00
NOY	LESLIE	CAPTAIN	DISTRICT RELIEF 2	10/27/89	90.00
PALLISTER	MARK	FIREFIGHTER	UNKNOWN	6/25/90	371.60
PARSONS	ELIZABETH	FIREFIGHTER	ENGINE COMPANY 46	7/08/90	181.50
PETERSON	RICHARD	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	7/20/90	3631.56
PETRASEK	EDWARD J	CAPTAIN	ENGINE COMPANY 47	6/02/86	140.00
PHALIN	PAUL	PARAMEDIC	AMBULANCE 47	5/24/90	675.44
PLUTA	JOHN	PARAMEDIC	AMBULANCE 35	9/04/89	1067.00
POLINO	WALTER	FIREFIGHTER	TRUCK 51	5/16/90	474.00
POLINO	WALTER	FIREFIGHTER	TRUCK 51	8/11/90	111.30
PONTECORE	RONALD	LIEUTENANT	TRUCK 32	1/14/90	550.00
PORTER	JEFF	FIREFIGHTER	TRUCK 36	5/23/90	5178.50
POWELL	TYRONE	FIREFIGHTER	ENGINE COMPANY 73	7/24/90	165.00
PRESTON	JOHN	PARAMEDIC	AMBULANCE 17	8/17/90	483.00
PRIETO	DAVID	LIEUTENANT	ENGINE COMPANY 23	6/07/90	1267.00
PROHASKA	ROBERT	FIREFIGHTER	SQUAD 4	6/15/90	65.00
RAGAZINSKAS	RICHARD	FIREFIGHTER	ENGINE COMPANY 23	3/22/90	554.00
RAMIREZ	RONALD	FIREFIGHTER	UNKNOWN	1/20/90	2732.56
REARDON	DANIEL	FIREFIGHTER	ENGINE COMPANY 92	1/03/90	3144.35
REILLY	EDWARD	FIREFIGHTER	TRUCK 8	1/30/80	160.33
RICH	JAMES	FIREFIGHTER	FIRE BOAT 37	6/18/90	110.25
RITT	RICHARD	PARAMEDIC	UNKNOWN	7/28/90	55.00
RIVERIA	GAVIEL	FIREFIGHTER	ENGINE COMPANY 56	8/11/90	308.90
ROBERTS	JOHN	PARAMEDIC	AMBULANCE 33	8/08/90	145.00
ROCKWELL	JAMES	ENGINEER	ENGINE COMPANY 22	3/30/90	6696.56

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

REGULAR ORDERS

************ EMPLOYEE NAME ************		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
ROGERS	JOHN	FIREFIGHTER	TRUCK 17	3/19/90	60.00
ROGERS	WILLIAM	FIREFIGHTER	ENGINE COMPANY 49	12/08/88	302.00
ROJAS	ROBERT J	FIREFIGHTER	ENGINE COMPANY 44	8/04/90	123.00
ROONEY	WILLIAM	CAPTAIN	TRUCK 33	11/12/88	245.00
ROTH	GARY	FIREFIGHTER	SQUAD 1	7/12/90	107.00
RUIZ	GUSTAVO	FIREFIGHTER	EMS DISTRICT 2 HEADQUARTERS &	7/10/90	157.56
RUTKA	KENNETH	FIREFIGHTER	UNKNOWN	7/25/89	4401.00
RYAN	JOHN	LIEUTENANT	TRUCK 16	12/16/89	980.00
RYDING	PAUL	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	5/14/90	120.50
SCALONE	PETER	LIEUTENANT	DISTRICT RELIEF 6	4/19/90	22.00
SCAPARDINE	CHRISTOPHER	FIREFIGHTER	TRUCK 50	7/06/90	224.00
SCAVONE	JOSEPH	FIREFIGHTER	TRUCK 9	8/04/90	476.90
SCHILIRO	EVELYN	PARAMEDIC	AMBULANCE 32	8/03/89	45.00
SCHMIDT	PATRICIA	PARAMEDIC	UNKNOWN	8/07/89	80.00
SCOTT	RAYFORD	FIREFIGHTER	ENGINE COMPANY 82	7/10/90	266.00
SCOTT	WILLIAM	FIREFIGHTER	ENGINE COMPANY 4	8/25/90	647.05
SENKPIEL	DONALD	FIREFIGHTER	ENGINE COMPANY 32	5/15/90	190.00
SHUKSTOR	LOUIS	FIREFIGHTER	ENGINE COMPANY 126	9/18/83	80.00
SMITH	BARBARA	FIREFIGHTER	ENGINE COMPANY 18	8/03/90	271.00
SMITH	RICHARD	PARAMEDIC	AMBULANCE 45	1/30/89	25.00
SOBCZAK	PAUL	LIEUTENANT	EMERGENCY PREPAREDNESS DISASTE	3/04/89	55.00
SPANGELO	MICHAEL	FIREFIGHTER	ENGINE COMPANY 47	4/07/90	136.00
SPENCER	WILLIAM	FIREFIGHTER	ENGINE COMPANY 117	7/29/90	136.00
SPRINGER	JEFFREY	ENGINEER	ENGINE COMPANY 93	7/24/90	85.00
STANLEY	JULIUS	LIEUTENANT	TRUCK 11	8/19/90	899.50
STAUFFER	PAUL	FIREFIGHTER	TRUCK 25	12/03/89	30.00
STEINER	WILLIAM	PARAMEDIC	EMS DISTRICT 5 HEADQUATERS & R	5/07/90	115.00
STEWART	JOHNNY	FIREFIGHTER	TRUCK 18	7/18/90	137.00
STRICKLER	BERNARD	FIREFIGHTER	SQUAD 1	4/10/90	922.55
SULLIVAN	THOMAS	PARAMEDIC	UNKNOWN	3/12/90	345.00
SUTHERLAND	DAVID	FIREFIGHTER	TRUCK 51	6/18/90	395.00
SWEENEY	THOMAS	LIEUTENANT	DISTRICT RELIEF 1	12/13/89	1344.22
TATE	DANIEL	FIREFIGHTER	ENGINE COMPANY 116	7/12/90	348.00
TIMM	TIMOTHY	PARAMEDIC	AMBULANCE 31	5/21/90	681.95
TRICOCI	SALVATORE	FIREFIGHTER	UNKNOWN	1/20/90	160.00
TUMPICH	JOHN	CAPTAIN	BATTALION 23	11/13/86	275.00
VANAUKEN	BRUCE	PARAMEDIC	AMBULANCE 5	2/11/90	175.00
VARGAS	FERNANDO	FIREFIGHTER	ENGINE COMPANY 14	5/14/90	60.60
VASQUEZ	ANGEL	PARAMEDIC	UNKNOWN	5/24/90	28.00
VASQUEZ	ANGEL	PARAMEDIC	UNKNOWN	8/10/90	14.00
VELEZ	FELIPE	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	8/09/90	409.60
VIANELLO	MARK	FIREFIGHTER	TRUCK 41	5/13/90	74.60
WADE	DENISE	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	2/15/90	362.00
WALTER	KURT	PARAMEDIC	AMBULANCE 23	7/09/90	15.00
WARRICK-FRIDUSS	JODI	PARAMEDIC	AMBULANCE 14	1/28/89	70.00
WASHINGTON	TERRY	FIREFIGHTER	ENGINE COMPANY 39	8/14/90	425.90
WELLS	LAWRENCE	FIREFIGHTER	TRUCK 57	5/28/90	17.00
WERNICK	MICHAEL	FIREFIGHTER	ENGINE COMPANY 124	5/07/90	50.00
WHITE	JAMES	FIREFIGHTER	UNKNOWN	5/01/90	335.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

REGULAR ORDERS

*********** EMPLOYEE NAME ***********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
WHITE	JAMES	FIREFIGHTER	UNKNOWN	8/21/90	200.00
WILFERT	KENNETH	PARAMEDIC	UNKNOWN	12/23/89	850.00
WILLIAMS	JOAN	PARAMEDIC	AMBULANCE 37	4/06/90	342.50
WILSON	DAVID	FIREFIGHTER	TRUCK 24	7/15/90	240.55
WINBUSH	THADDEUS	FIREFIGHTER	ENGINE COMPANY 120	6/16/90	545.00
WIRTZ	MARTIN	FIREFIGHTER	TRUCK 41	7/07/90	185.00
WOJTECKI	KENNETH	LIEUTENANT	DISTRICT HEADQUARTERS 3	6/15/90	282.30
WOJTECKI	KENNETH	LIEUTENANT	SQUAD 1	8/17/90	308.60
YORK	DONALD B	FIREFIGHTER	TRUCK 53	7/24/90	262.00
YORK	DONALD B	POLICE OFFICER	UNKNOWN	6/23/90	37.00
YUHAS	ANTHONY	FIREFIGHTER	TRUCK 4	6/15/90	69.75
ZANGE	ROBERT	PARAMEDIC	ENGINE COMPANY 26	3/08/90	65.00
ZIEN	JOEL	PARAMEDIC	AMBULANCE 20	8/20/87	277.80
ZUBEK	EDWARD.	FIREFIGHTER	TRUCK 41	1/18/82	505.85
ZUBIK	DAVID	FIREFIGHTER	ENGINE COMPANY 23	11/20/89	1574.60
ZULLO	JOHN	FIREFIGHTER	TRUCK 38	7/05/90	359.50

C I T Y O F C H I C A G O

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

THIRD PARTY ORDERS

*********** EMPLOYEE NAME ***********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
AKINS	DARYL	POLICE OFFICER	THIRD DISTRICT	5/23/90	353.00
ALLEN	LAJUENE	POLICE OFFICER	THIRD DISTRICT	5/23/90	321.00
ALLEN	VALERIE L	POLICE OFFICER	SEVENTH DISTRICT	3/13/90	701.00
ALVARADO	GEORGE L	POLICE OFFICER	FOURTEENTH DISTRICT	5/19/90	991.50
BAILEY	LESTER A	POLICE OFFICER	SEVENTH DISTRICT	5/20/90	422.00
BALESH	ROBERT	POLICE OFFICER	TWENTY-THIRD DISTRICT	6/24/90	1105.72
BALZANO	FRANK T	POLICE OFFICER	CANINE UNIT	12/29/89	40.00
BANKS	STANLEY	POLICE OFFICER	FIFTEENTH DISTRICT	7/27/90	254.75
BARONAITIS	VIDA	POLICE OFFICER	NINTH DISTRICT	5/10/90	371.80
BARTIK	ROBERT	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/14/90	183.44
BATEY	CHESTER M	POLICE OFFICER	THIRD DISTRICT	12/20/89	230.00
BIGGINS	DAVID L	POLICE OFFICER	FIFTH DISTRICT	4/12/90	377.00
BRADY-HEIDT	SANDRA E	POLICE OFFICER	SIXTH DISTRICT	9/11/88	3232.49
BROWN	JAYNE C	POLICE OFFICER	SIXTH DISTRICT	6/10/90	384.02
BURDINE	DORICE	POLICE OFFICER	INTERNAL AFFAIRS DIVISION	5/01/90	2434.13
CALLAGHAN	MICHAEL F	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	5/04/90	463.00
CANNIZZO	STEVEN J	POLICE OFFICER	TWENTIETH DISTRICT	12/14/89	50.00
CAPPARELLI	TIMOTHY	POLICE OFFICER	EIGHTEENTH DISTRICT	1/25/90	250.00
CHILLON	OMAR	POLICE OFFICER	RECRUIT TRAINING	5/25/90	246.00
CIANGI	LEONARD F	POLICE OFFICER	SIXTEENTH DISTRICT	5/04/90	179.00
COLLINS	VALERIE	POLICE OFFICER	ELEVENTH DISTRICT	5/12/90	1402.90
COSGROVE	PATRICIA R	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/05/90	2836.85
CROWLEY	JAMES	POLICE OFFICER	SECOND DISTRICT	9/04/87	1191.00
CURTIN	JOSEPH	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/08/90	257.00
CZERNIAK	HARRY	POLICE OFFICER	SPECIAL OPERATIONS GROUP-WEST	5/10/84	69.00
DAVIS	JERRY J	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	6/14/89	325.50
DAVIS	TERENCE O	POLICE OFFICER	SEVENTH DISTRICT	5/04/90	827.31
DE LA PAZ	JOSEPH	POLICE OFFICER	FIRST DISTRICT	7/03/90	1350.75
DELIA	YVONNE	POLICE OFFICER	EIGHTH DISTRICT	9/27/88	1055.00
DILLON	JAMES	POLICE OFFICER	EIGHTEENTH DISTRICT	6/28/90	230.30
DONES	LIONEL	POLICE OFFICER	EIGHTEENTH DISTRICT	3/26/90	295.00
DORNAN-HANNUS	CAROLE A	POLICE OFFICER	NEIGHBORHOOD RELATIONS DIVISIO	7/20/90	581.00
DRAPIEWSKI	JOHN P	POLICE OFFICER	EIGHTH DISTRICT	2/15/90	550.00
DUNN	JAMES P	POLICE OFFICER	EIGHTH DISTRICT	5/21/90	113.00
DWYER	GEORGINA L	POLICE OFFICER	SEVENTH DISTRICT	5/05/90	638.00
EVANS	KEVIN R	POLICE OFFICER	THIRD DISTRICT	5/16/90	1561.00
FIGUEROA	RAYMOND	POLICE OFFICER	TWENTY-THIRD DISTRICT	6/05/90	1742.50
GAMBLE	LORENDA	POLICE OFFICER	SEVENTEENTH DISTRICT	3/01/90	165.00
GILGER	JAMES G	POLICE OFFICER	FIFTEENTH DISTRICT	5/21/90	228.00
GROTH	CRAIG	POLICE OFFICER	DETECTIVE DIV AREA 6 ADMINISTR	5/18/90	1688.30
HARDEN-GOVAN	GLORIA	POLICE OFFICER	SIXTH DISTRICT	7/17/90	387.50
HARTMANN	ROBERT	POLICE OFFICER	TWELFTH DISTRICT	5/03/90	576.00
HATTENBERGER	FRED E	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/27/90	789.44
HAWKINS	THOMAS	POLICE OFFICER	NINTH DISTRICT	5/27/90	544.00
HENDRICKSON	CLAUDIA	POLICE OFFICER	SECOND DISTRICT	4/05/90	75.50
HILL	CLARENCE	POLICE OFFICER	TWENTIETH DISTRICT	1/03/89	110.00
HOLZINGER	NORBERT	POLICE OFFICER	EIGHTEENTH DISTRICT	2/16/89	336.00
HRDLICKA	PATRICK	POLICE OFFICER	EIGHTH DISTRICT	5/16/90	215.00
HUGHES	THOMAS C	POLICE OFFICER	FIFTH DISTRICT	12/19/89	135.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

THIRD PARTY ORDERS

************ EMPLOYEE NAME ************		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
JAGLARSKI	TERRENCE	POLICE OFFICER	OHARE LAW ENFORCEMENT	4/22/90	40.00
JASTER	RAYMOND	POLICE OFFICER	EIGHTH DISTRICT	6/19/90	285.60
JENKINS	TYRONE	POLICE OFFICER	FIFTEENTH DISTRICT	6/29/90	286.00
JONES	JENNIFER	POLICE OFFICER	INTERNAL AFFAIRS DIVISION	5/01/90	899.50
JONES	RICHARD H	POLICE OFFICER	SEVENTH DISTRICT	7/09/90	2655.74
JONES	ROY	POLICE OFFICER	TWENTY-THIRD DISTRICT	2/05/88	45.00
KAREDES	CHRIST J.	POLICE OFFICER	EIGHTEENTH DISTRICT	4/10/90	935.00
KOOISTRA	MARK	POLICE OFFICER	THIRD DISTRICT	11/06/89	161.50
LEAHY	JOHN JR	POLICE OFFICER	SIXTEENTH DISTRICT	3/19/85	522.00
LEIFERT	DAVID C	POLICE OFFICER	OHARE LAW ENFORCEMENT	6/28/90	116.65
LEWIS	HARRY	POLICE OFFICER	SECOND DISTRICT	4/26/90	75.50
LYKINS	THERESA A	POLICE OFFICER	SEVENTEENTH DISTRICT	5/08/90	933.50
MAJERCCZYK	BRUCE	POLICE OFFICER	FIRST DISTRICT	7/22/90	356.00
MALONEY	TIMOTHY J	POLICE OFFICER	AUTO THEFT SECTION	6/14/90	2723.30
MARTIN	MICHAEL	POLICE OFFICER	FOURTH DISTRICT	7/17/90	269.00
MARTINEZ	OSCAR	POLICE OFFICER	FOURTEENTH DISTRICT	6/20/90	1145.50
MATHEWS	LARRY W	POLICE OFFICER	THIRTEENTH DISTRICT	7/29/90	90.00
MCEVOY	BRIAN PATRICK	POLICE OFFICER	EIGHTEENTH DISTRICT	9/08/90	351.50
MCGRADY	TIMOTHY	POLICE OFFICER	OHARE LAW ENFORCEMENT	7/03/90	621.39
MELSON	BRIAN	POLICE OFFICER	THIRD DISTRICT	5/16/90	789.00
MEYERS	DARLETTA	POLICE OFFICER	SENIOR CITIZENS SERVICE DIVISI	7/20/90	673.80
MIKOLAJCZYK	SANDRA M	POLICE OFFICER	TENTH DISTRICT	6/22/90	920.00
MILLER	DARRYL	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/11/90	687.80
MILLER	MICHAEL	POLICE OFFICER	DETECTIVE DIV AREA 4 VIOLENT C	7/17/90	356.00
MILLER	STEVEN W	POLICE OFFICER	FIFTEENTH DISTRICT	9/23/83	88.00
MLADIC	ROBERT M	POLICE OFFICER	TWELFTH DISTRICT	7/17/90	356.00
MOONAN	BERNARD J	POLICE OFFICER	EIGHTH DISTRICT	6/11/90	40.00
MORLEY	CHRISTINE	POLICE OFFICER	YOUTH DIVISION AREA FOUR	7/24/90	179.00
MUNIZ	JOHN O	POLICE OFFICER	INTERSECTION CONTROL UNIT	7/09/90	1041.50
MURPHY	PATRICIA	POLICE OFFICER	INTERSECTION CONTROL UNIT	10/29/85	1493.25
MUZUPAPPA	MICHAEL A	POLICE OFFICER	FIFTEENTH DISTRICT	5/21/90	290.00
NIZIOLEK	ROBERT K	POLICE OFFICER	FIFTH DISTRICT	7/25/88	449.00
NUGENT	JOHN P	POLICE OFFICER	EIGHTH DISTRICT	5/12/90	387.00
OROURKE	KEVIN B	POLICE OFFICER	FIFTEENTH DISTRICT	6/19/90	110.00
OTERO	LUIS A	POLICE OFFICER	ELEVENTH DISTRICT	5/29/90	180.00
PALELLA	NICK T	POLICE OFFICER	NINETEENTH DISTRICT	5/25/90	441.00
PEDERSEN	JOSEPH R	POLICE OFFICER	YOUTH DIVISION ADMINISTRATION	7/26/90	618.24
PELHAM	ROBERT A	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/27/90	499.00
PENA	TAMMIE A	POLICE OFFICER	THIRTEENTH DISTRICT	6/16/90	436.60
PFEIFFER	JEAN	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/24/90	1686.82
PHILLIPS	SUSAN	POLICE OFFICER	FOURTH DISTRICT	6/06/88	280.00
PIKE	LAWRENCE	POLICE OFFICER	TWENTIETH DISTRICT	6/16/90	253.00
QUENZEL	KATHLEEN A	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/24/90	1323.85
REPPEN	KEVIN	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/05/90	126.00
RICHARDSON	EDWARD J	POLICE OFFICER	NEIGHBORHOOD RELATIONS DIVISIO	6/15/90	80.00
RIZZO	JOSEPH M	POLICE OFFICER	TWELFTH DISTRICT	4/07/90	1435.40
RODGERS	MICHAEL	POLICE OFFICER	DETECTIVE DIV AREA 6 ADMINISTR	5/18/90	75.50
RYAN JR	EDWARD W	POLICE OFFICER	ENFORCEMENT SECTION	1/12/81	280.00
SALMASSI	JOHN	POLICE OFFICER	EIGHTEENTH DISTRICT	4/18/90	1368.00

C I T Y O F C H I C A G O

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/19/90

THIRD PARTY ORDERS

*********** EMPLOYEE NAME ***********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
SAMANAS	VERONICA	POLICE OFFICER	FIFTEENTH DISTRICT	6/20/90	978.00
SANCHEZ	JOHN	POLICE OFFICER	FIRST DISTRICT	7/23/89	150.00
SASSO	JOHN J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	12/29/82	55.58
SCHAEFFER	FRANK	POLICE OFFICER	OHARE LAW ENFORCEMENT	11/09/89	50.00
SERAFINI	JOHN	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/05/90	149.75
SINENI	JAMES	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/17/88	55.59
SMITH	ROBERT	POLICE OFFICER	YOUTH DIVISION AREA FIVE	5/18/89	35.00
SOLTYSIAK	RAYMOND R	POLICE OFFICER	TENTH DISTRICT	6/22/90	731.00
STASINOPOULOS	NICHOLAS	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	2/18/90	3435.50
STEHLIK	JOSEPH	POLICE OFFICER	YOUTH DIVISION AREA ONE	7/13/84	75.00
SUNDBERG	JAMES	POLICE OFFICER	TWENTY-SECOND DISTRICT	9/01/85	40.00
SWIDERSKI	ROBERT	POLICE OFFICER	TWENTY-FIRST DISTRICT	6/13/87	1266.00
TATHAM	ROBERT	POLICE OFFICER	TWENTY-FOURTH DISTRICT	3/27/89	219.53
TAYLOR	THOMAS C	POLICE OFFICER	TENTH DISTRICT	12/31/83	75.00
THIELMANN	JOSEPH P	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/13/87	55.00
THOMAS	LAWRENCE	POLICE OFFICER	SEVENTEENTH DISTRICT	11/11/89	1522.00
VERNAGALLO	LOUIS	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/02/90	1288.03
WEAVER	SEBASTIAN Q	POLICE OFFICER	NINTH DISTRICT	5/27/90	903.00
WEISSKOPF	ROBERT J	POLICE OFFICER	FIFTEENTH DISTRICT	4/03/90	178.00
WOODS	MARIE T	POLICE OFFICER	YOUTH DIVISION AREA THREE	8/22/87	350.00
WORTHAM	THOMAS E III	POLICE OFFICER	NINTH DISTRICT	6/08/90	270.00
ADAMS	WILLIAM	FIREFIGHTER	ENGINE COMPANY 121	5/23/90	450.00
BALDWIN	JOSEPH T	CAPTAIN	BATTALION 7	6/19/90	246.50
BLITS	JOHN	PARAMEDIC	UNKNOWN	2/14/90	529.00
CLARK	MICHAEL	PARAMEDIC	UNKNOWN	4/17/90	1989.50
CRIBBEN	ROBERT	PARAMEDIC	EMS DISTRICT 1 HEADQUATERS & R	7/30/90	392.00
FITZPATRICK	KATHLEEN	PARAMEDIC	UNKNOWN	5/05/90	27.00
GIORDANO	JOHN	CAPTAIN	ENGINE COMPANY 125	4/18/90	295.00
JANIA	JEROME	PARAMEDIC	AMBULANCE 37	2/22/85	374.00
KING	PATRICK	PARAMEDIC	AMBULANCE 18	5/03/90	818.00
KNEZEVICH	ANTONIO	FIREFIGHTER	SQUAD 5	6/09/90	154.75
LEVIN	RICHARD	PARAMEDIC	EMS DISTRICT 2 HEADQUARTERS &	7/02/90	403.00
MCLARY	JOSEPH	PARAMEDIC	AMBULANCE 11	7/18/88	80.00
ONTIVEROS	FRANK	LIEUTENANT	DISTRICT RELIEF 2	4/18/90	2746.50
ROBST	CATHIE A	FIREFIGHTER	AMBULANCE 34	5/07/90	50.00
STRZALKA	CHRISTOPHER	PARAMEDIC	AMBULANCE 15	7/01/89	321.50
TRACY	DWAYNE	PARAMEDIC	EMS DISTRICT 5 HEADQUATERS & R	4/03/90	415.00
WALSH	MARTIN	FIREFIGHTER	ENGINE COMPANY 129	9/04/89	11783.58

Action Deferred -- AMENDMENT OF TITLE 4, CHAPTER 316 OF MUNICIPAL CODE OF CHICAGO CONCERNING SALE OF TOBACCO PRODUCTS.

The Committee on Finance submitted the following report which was, on motion of Alderman Beavers and Alderman Kellam, *Deferred* and ordered published:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a substitute ordinance amending Chapter 4-316 of the Municipal Code of the City of Chicago relative to the sale of tobacco products in the City of Chicago, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

The following is said proposed substitute ordinance transmitted with the foregoing committee report:

WHEREAS, The City of Chicago is a home rule unit pursuant to the 1970 Illinois Constitution Article VII, Section 6(a); and

WHEREAS, The City Council of the City of Chicago hereby finds that substantial scientific evidence exists that use of tobacco products causes cancer, heart disease and various other medical disorders; and

WHEREAS, The Surgeon General of the United States has determined that smoking is the leading cause of preventable death in the country; and

WHEREAS, Nicotine in tobacco has been found by the 1988 report of the Surgeon General, *The Health Consequences of Smoking: Nicotine*

Addiction, to be a powerfully addictive drug and it is therefore important to prevent young people from using nicotine until they are mature and capable of making an informed and rational decision; and

WHEREAS, The City Council of the City of Chicago hereby adopts the conclusions of the Director of the National Institute on Drug Abuse that the majority of the three hundred twenty thousand (320,000) Americans who die each year from cigarette smoking became addicted to nicotine as adolescents and that tobacco use precedes and may be predictive of adolescent illicit drug use; and

WHEREAS, According to a report prepared by the Office of the Inspector General in the United States Department of Health and Human Services, *Youth Access to Cigarettes*, more that 3,000 minors begin smoking every day with an estimated 3 million children under the age of 18 spending more than One Million Dollars on tobacco products each year; and

WHEREAS, The City Council of the City of Chicago hereby finds that action should be taken by the City of Chicago to prevent minors' use of tobacco products and increase enforcement of existing laws prohibiting such use; and

WHEREAS, The City Council of the City of Chicago hereby finds that minors currently have ready access to tobacco products as a result of non-compliance with existing laws prohibiting the sale of tobacco products to minors, the widespread availability of tobacco vending machines and the free distribution of tobacco products on the public way; and

WHEREAS, The City Council of the City of Chicago hereby finds that the ability of minors to obtain tobacco products in violation of the law will be significantly reduced by significantly restricting the location of tobacco vending machines, prohibiting the free distribution of tobacco products on the public way, and raising the legal age to possess tobacco products; now, therefore,

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

SECTION 1. Chapter 4-316 of the Municipal Code of Chicago is hereby amended by deleting the bracketed language and adding the language in italics as follows:

Article II.

Retail Tobacco Dealers.

4-316-090 Retail tobacco dealer defined.

"Retail tobacco dealer" means any person selling, offering for sale, exposing for sale, or keeping with the intention of selling or exchanging at retail, [cigarettes or cigarette papers or wrappers] *tobacco products, or tobacco accessories* in the city.

4-316-091 Tobacco products defined.

"Tobacco products" means any substance containing tobacco leaf, including but not limited to cigarettes, cigars, pipe tobacco, and/or smokeless tobacco.

4-316-092 Tobacco accessories defined.

"Tobacco accessories" means cigarette papers or wrappers, pipes, holders of smoking materials of all types, cigarette rolling machines, and any other item designed primarily for the smoking or ingestion of tobacco products.

4-316-093 Person defined.

"Person" shall mean an individual, firm, partnership, joint venture, association, corporation, estate, trust, trustee, or any other group or combination acting as a unit, excepting the United States of America, the State of Illinois, and any political subdivision thereof.

4-316-100 Licensing requirements.

No person shall [engage in the business of a retail tobacco dealer] *sell, give away, barter, exchange, or distribute tobacco products* without first having obtained a license therefore. A separate license shall be required for [every] *each* location, station or [cigarette] vending machine within an establishment at which [cigarettes, cigarette papers or wrappers] *tobacco products or tobacco accessories* are sold.

* * * * *

4-316-120 License -- Fee.

The license fee for a retail tobacco dealer's license shall be [$108.00] *$150.00* for the whole or any portion of the license period for which application is made.

* * * * *

4-316-180 Prohibited locations.

No person shall sell, give away, barter, exchange or otherwise deal in *tobacco products or tobacco accessories* at any place located within 100 feet of any building *or other location* used [exclusively for] *as a* school [purposes], *child care facility, or for the education or recreational programs of children under 19 years of age,* [any cigarettes, tobacco or tobacco product of any form whatsoever used in the making of cigarettes or with which cigarette papers or wrappers are sold or given away].

4-316-181 Free distribution of tobacco products prohibited.

No person shall sell, give away, barter, exchange, distribute or in any way dispense free of charge or at nominal cost any tobacco product, and/or any coupon redeemable for any tobacco product, on any public street, alley, sidewalk, or in any public park, ground, or playground, or in areas open to the public in any publicly owned or operated building.

4-316-190 Furnishing [smoking materials] *tobacco products or tobacco accessories* to minors prohibited.

The current Section 4-316-190 is hereby deleted in its entirety and shall be replaced by the italicized language.

No person that holds a license under Section 4-316-100, or an employee or agent of that person, shall sell, give away, barter, exchange, or otherwise furnish any tobacco products and/or tobacco accessories:

a. to any individual who the license holder, employee or agent knows is under the age of 19 years of age;

b. to any individual (other than an individual who appears without reasonable doubt to be over 19 years of age) who does not present a driver's license (or other generally accepted means of identification) *that describes the individual as 19 years of age or older, contains a likeness of the individual, and appears on its face to be valid;*

c. in any form other than an original factory-wrapped package; and

d. other than at a location for which a license has been issued under Section 4-316-100.

4-316-200 Purchase or possession of tobacco products or tobacco accessories by minors prohibited.

The current Section 4-316-200 is hereby deleted in its entirety and shall be replaced by the following italicized language.

It shall be unlawful:

(a) for any individual under the age of 19 years to purchase tobacco products or tobacco accessories, or to misrepresent the individual's identity or age, or to use any false or altered identification for the purpose of purchasing tobacco products or tobacco accessories;

(b) for any individual under the age of 19 years to possess any tobacco products; provided that the possession by a person under the age of 19 years under the direct supervision of the individual's parent or guardian in the privacy of the parent's or guardian's home shall not be prohibited; or

(c) for any person to give any individual under the age of 19 years any identification card not duly issued to such individual, for the purpose of buying tobacco products or tobacco accessories.

4-316-210 Posting of warning to minors.

Section 4-316-210 is hereby deleted in its entirety and shall be replaced with the following italicized language.

Every person who holds a retail tobacco license pursuant to Section 4-316-100 shall display a printed card which shall state:

Warning

It is a violation of the law for cigarettes or other tobacco products or tobacco accessories to be sold to any person under the age of 19. Any person who violates this law is subject to a fine and possible imprisonment.

The printed card shall not be less than eight inches by eleven inches (8" x 11")in size. The text of such printed card shall be in red letters on a white background, said letters to be at least one inch (1") high. The word "warning" shall be in a print of 84-point height and Helvetica type and the remainder of the text in a print of 24-point height and in Helvetica medium-face, Futura medium-face or Universe 65 type.

Such card shall be posted at each location at which tobacco products and/or tobacco accessories are sold or displayed at all times in which the establishment is open, so that a card is visible from each location where such sales or displays occur.

4-316-220 Identification cards -- prohibited acts.

The current Section 4-316-220 is hereby deleted in its entirety and 4-316-230 titled "Identification cards -- Prohibited acts." shall be renumbered as Section 4-316-220.

4-316-230 Penalties.

The current Section 4-316-240 is hereby deleted in its entirety and is hereby replaced with the following italicized language.

The penalties for violation of Sections 4-316-100 through and including 4-316-220 shall be as prescribed in this section, notwithstanding any other general penalty provision in this code.

(a) Violation of any provision of Sections 4-316-100 through 4-316-220 shall be punishable by a fine of not less than $100.00 and no more than $1,000.00. Any person convicted of a second offense within a two year period under the foregoing sections shall be punished for such offense by a fine of not less than $250.00 and no more than $500.00. Any person convicted of a third offense within a two year period under the foregoing sections shall be punished for such offense by a fine of not less than $500.00. Any person convicted of more than four offenses during a two year period shall be punished by a fine of $1,000 for each additional offense.

(b) Any person that violates a provision of Section 4-316-190 shall be subject to a fine of not more than a $1,000.00, or imprisonment of not more than 30 days, or both.

(c) A person that holds a license pursuant to Section 4-316-100 shall not be subject to a fine or civil penalty under Section 4-316-230(b) for a violation by an employee or agent of a prohibition of Section 4-316-190 if the licensee affirmatively demonstrates that the licensee has an effective system in place to prevent violations of the provisions of Section 4-316-190. The exception prescribed by the preceding section applies only one to a licensee during any two year period.

4-316-240 Suspension, revocation, and non-renewal of licenses.

Knowing or repeated violation of any provision of Sections 4-316-100 through 4-316-220 by a licensee shall be grounds for revocation or suspension of such license. For purposes of this section, "license" includes any and all licenses issued by any officer, department or agency of the City of Chicago required for retail or other business operations at the location at which the offense occurred, and includes but is not limited to retail tobacco licenses.

Article III.

Cigarette-Vending Machines.

4-316-250 Definitions.

* * * * *

"Distribution" means to give, sell, deliver, dispense, issue, offer to give, sell, deliver, dispense, or issue, or cause or hire any person to give, sell, deliver, dispense, issue or offer to give, sell, deliver, dispense or issue.

"Person" means any natural person, corporation, partnership, firm, organization, or other legal entity.

"Public place" means any area to which the public is invited or permitted.

"Retailer dealer" means "retailer dealer" as defined in Section 4-316-090.

"Tavern" means an establishment where alcoholic beverages are sold and served for on-site consumption and in which the service of food, if served at all, is incidental to the sale of such beverages. Service of food shall be considered incidental if the food service generates less than forty percent of total gross sales. As used herein, the term "tavern" shall not be deemed to include a bar located in a public place in which the sale of alcoholic beverages is incidental to the primary purpose of the business or establishment conducted therein, except for a bar located in a public place which offers overnight accommodations. Examples of public places not deemed to be taverns within the definition of this paragraph include, but are not limited to, restaurants, catering halls, bowling alleys, billiard parlors, discotheques, theaters and arenas.

"Tobacco product" means any substance which contains tobacco, including but limited to cigarettes, cigars, smoking tobacco and smokeless tobacco.

"Vending machine" means any mechanical, electronic or other similar device which dispenses tobacco products.

* * * * *

4-316-320 [Location restrictions] Distribution of tobacco products through vending machines limited.

The current Section 4-316-320 is hereby deleted in its entirety and shall be replaced with the following italicized language:

(a) No license shall be issued pursuant to Section 4-316-260 for the location of a vending machine in a public place and it shall be unlawful for any person to permit the distribution of tobacco products through the operation of a vending machine in a public place except as permitted in subsection (b) of this section.

(b) Tobacco products may be distributed in a tavern only in the following ways:

(i) through a vending machine which must be: (A) placed at a distance of a minimum of 25 feet from any entrance to the premises; and (B) directly visible by the owner of the premises, or his or her employee or agent, during the operation of such vending machine; or

(ii) directly by the owner of the premises, or his or her employee or agent.

4-316-330 Violation -- Penalty.

The current Section 4-316-330 is hereby deleted in its entirety and shall be replaced by the following italicized language:

Any person found to be in violation of this section shall be liable for a civil penalty of not more than $300.00 for the first violation; not more than $500.00 for the second violation; and not more than $1,000.00 for the third and subsequent violations.

SECTION 2. This ordinance shall be effective on March 1, 1991.

Action Deferred -- EXECUTION OF CERTIFICATE OF PARTICIPATION IN LOAN FROM AFFILIATED BANK -- NORTH SHORE NATIONAL TO NATIONAL K-9 SECURITY, INCORPORATED.

The Committee on Finance submitted the following report which was, on motion of Alderman Steele and Alderman Shaw, *Deferred* and ordered published:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of a Business Development Loan to National K-9 Security, Incorporated, in the amount of $343,000.00, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

The following is said proposed ordinance transmitted with the foregoing committee report:

WHEREAS, The Department of Economic Development ("D.E.D.") of the City of Chicago ("City") has as its primary purpose the creation of additional employment opportunities in the City through the attraction and expansion of economic development activity in the City; and

WHEREAS, The City Council of the City has previously reviewed and approved a D.E.D. initiative entitled the Bank Participation Loan Program (Journal of the Proceedings of the City Council of the City of Chicago, Illinois, July 31, 1990); and

WHEREAS, The Bank Participation Loan Program requires City Council approval for those participations in which the City's share exceeds $150,000; and

WHEREAS, National K-9 Security, Incorporated, an Illinois corporation, has made an application to D.E.D. through Affiliated Bank -- North Shore National to approve the purchase of a participation in the amount of up to $343,000 of a $698,000 loan for the purpose of purchasing and improving real estate, acquiring machinery and equipment which will result in the creation of an estimated 25 new permanent job opportunities for low and moderate income persons residing in the City; and

WHEREAS, The Bank Participation Loan Review Committee has approved the application of National K-9 Security, Incorporated, now, therefore,

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

SECTION 1. The Commissioner of D.E.D. is authorized to enter into and execute, subject to review by the Corporation Counsel, a Certificate of Participation with North Shore Bank pursuant to which the City will purchase up to $343,000 of a $698,000 loan to National K-9 Security, Incorporated, to assist in the purchase and improvement of real property, and acquisition of machinery and equipment, said Certificate of Participation to be substantially in the form attached hereto as Exhibit A.

SECTION 2. The Commissioner of D.E.D. is further authorized to enter into and execute, subject to review by the Corporation Counsel, such other documents as may be necessary and proper to implement the terms and conditions of the Bank Participation Loan Program.

SECTION 3. This ordinance shall be effective by and from the date of its passage.

[Exhibit "A" attached to this ordinance unavailable at time of printing.]

COMMITTEE ON AVIATION.

EXECUTION AND CONSENT FOR AMENDMENT OF USE AGREEMENT WITH CHICAGO INTERNATIONAL CARRIERS ASSOCIATION TECHNICAL EQUIPMENT CORPORATION FOR LEASE OF SPACE AND INSTALLMENT OF TECHNICAL EQUIPMENT IN PERMANENT INTERNATIONAL TERMINAL AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

The Committee on Aviation submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Aviation, having under consideration an ordinance (referred on December 18, 1990), authorizing an agreement between the City of Chicago and the Chicago International Carriers Association Technical Equipment Corporation (C.I.C.A. T.E.C.), and its members, for a lease of space in the new permanent international terminal at Chicago O'Hare International Airport, for authority to install certain technical equipment, and for consent for the City and each of the C.I.C.A. T.E.C. members to amend their respective International Terminal Use Agreements to clarify that costs in connection with the Agreement are proper operating and maintenance costs under the Use Agreement, begs leave to recommend that Your Honorable Body *Pass* the said ordinance transmitted herewith.

This recommendation was concurred in by a unanimous vote.

Respectfully submitted,

(Signed) THOMAS W. CULLERTON,
Chairman.

On motion of Alderman Cullerton, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City") owns and operates Chicago O'Hare International Airport ("Airport") and possesses the power and authority to grant leases and other contracts with respect thereto; and

WHEREAS, Chicago International Carriers Association Technical Equipment Corporation ("C.I.C.A. T.E.C.") desires to enter into an Agreement ("Agreement") with the City pursuant to which C.I.C.A. T.E.C. shall be authorized to use space at the new Permanent International Terminal, and shall install equipment thereon; and

WHEREAS, Members of C.I.C.A. T.E.C. are willing to amend their respective International Use Agreement and Facilities Lease ("Use Agreement") with the City in order to clarify that costs in connection with the Agreement are proper operation and maintenance costs under the Use Agreement; now, therefore,

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

SECTION 1. The above recitals are incorporated by reference and made a part of this ordinance as if fully set forth herein.

SECTION 2. The Mayor, or his Proxy, is hereby authorized to enter into and execute, and the City Clerk to attest, the Agreement between C.I.C.A. T.E.C. and the City, in substantially the form attached hereto and incorporated by reference herein as Exhibit 1, subject to the recommendation of the Commissioner of the Department of Aviation, the approval of the Comptroller, the approval of the Corporation Counsel as to form and legality, and upon the review and approval of bond counsel.

SECTION 3. The Mayor, or his Proxy, is hereby authorized to enter into and execute, and the City Clerk to attest, the amendment attached hereto and incorporated by reference herein as Exhibit 2, to the respective Use Agreements of the C.I.C.A. T.E.C. members signatory to the Use Agreement, subject to the recommendation of the Commissioner of the Department of Aviation, the approval of the Comptroller, and the approval of the Corporation Counsel as to form and legality.

SECTION 4. The Commissioner of Aviation is authorized to execute such other documents, including any certifications and assurances on behalf of the City, as may be necessary to implement the objectives of these agreements.

SECTION 5. If any provision of this ordinance 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 cases because it conflicts with any other provisions hereof or of any constitution, statute, ordinance, 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 circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or enforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this ordinance shall not effect the remaining portions of this ordinance or any part hereof.

SECTION 6. This ordinance shall be in full force and effect from and after its date of passage.

Exhibits 1 and 2 attached to this ordinance read as follows:

Exhibit 1.

Agreement By And Between The

City Of Chicago And The

C.I.C.A. Terminal Equipment Corporation.

This Agreement, dated as of January 1, 1990 by and between the City of Chicago, a municipal corporation and home rule unit of government organized and existing under Article VII, Sections 1 and 6(a), respectively, of the 1970 Constitution of the State of Illinois ("City"), and C.I.C.A. Terminal Equipment Corporation, a corporation existing under the laws of the State of Illinois ("C.I.C.A. T.E.C.").

Witnesseth:

Whereas, City owns and operates Chicago-O'Hare International Airport (the "Airport") and has the power to grant rights and privileges with respect thereto; and

Whereas, C.I.C.A. T.E.C. desires to perform Work (as defined herein) with respect to and operate and maintain certain airline equipment and airline systems ("Consortium Equipment", as more fully described herein) at the proposed new International Terminal at the Airport (the "International Terminal"), in accordance with the terms and conditions set forth in this Agreement; and

Whereas, C.I.C.A. T.E.C. desires to use and occupy the Demised Premises (as defined herein) at the International Terminal; and

Whereas, City agrees that C.I.C.A. T.E.C. will perform Work and operate and maintain the Consortium Equipment at the International Terminal and use and occupy the Demised Premises in connection with the operation and maintenance of the Consortium Equipment at the International Terminal;

Now, Therefore, In consideration of the premises and of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and C.I.C.A. T.E.C. agree as follows:

Article I.

Definitions; Interpretation.

Section 1.01. Definitions.

(a) Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the International Use Agreements (as hereinafter defined).

(b) The following terms and phrases shall have the following meanings solely for purposes of this Agreement:

"Additional Equipment" has the meaning ascribed to it in Section 6.02.

"Agreement" means this Agreement and all exhibits, amendments and supplements hereto.

"Chairperson of C.I.C.A. T.E.C." means the duly elected chairperson of the board of directors of C.I.C.A. T.E.C.

"Commissioner of Public Works" means the Commissioner of the Department of Public Works of City, or any successor to the duties of such official.

"Completion of the Work" has the meaning ascribed to it in paragraph 3(f) of Exhibit B.

"Consortium Equipment" means such structures, improvements, facilities, equipment and other airline systems financed in whole or in part by Special Revenue Bonds, on which Work is performed by, and as such structures, improvements, facilities, equipment and other airline systems are operated and maintained by C.I.C.A. T.E.C. on behalf of the City; a general description of the original Consortium Equipment financed by the Series 1990 Special Revenue Bonds is contained in Exhibit A hereto. Exhibit A may be amended from time to time by agreement of the Commissioner and C.I.C.A. T.E.C. to add thereto other Consortium Equipment or replacements of any Consortium Equipment financed in whole or in part by Special Revenue Bonds.

"Construction Manager" or "C.M." has the meaning ascribed to it in paragraph 2(c) of Exhibit B.

"Contracts" means all contracts entered into with any supplier of materials, furnishers of services, contractors or subcontractors or any labor organizations which furnish skilled, unskilled and craft union skilled labor or which may perform any such labor services in connection with this Agreement.

"Contractors" means persons and firms hired by C.I.C.A. T.E.C. to act as agents or independent contractors in connection with the performance of Work with respect to, and the operation and maintenance of the Consortium Equipment.

"Demised Premises" means, collectively, the Easements and Leased Premises, together with all improvements situated thereon or hereafter constructed thereon.

"Drawings, Plans and Specifications" means the drawings, plans and specifications approved in accordance with Exhibit B hereto.

"Easements" means the non-exclusive easements granted to C.I.C.A. T.E.C. by City pursuant to this Agreement, which are described on Exhibit C hereto, as the same may be amended from time to time by agreement of the Commissioner and C.I.C.A. T.E.C., for the purposes of performing Work and maintaining and operating the Consortium Equipment and the Additional Equipment.

"Environmental Requirements" means all applicable federal, state and local laws, ordinances, rules and regulations and executive orders pertaining to environmental matters.

"Hazardous Materials" means asbestos and asbestos-containing materials, polychlorinated biphenyls (PCBs), oil or any other petroleum products, natural gas, source material, special nuclear material, and byproduct materials regulated under the Atomic Energy Act (42 U.S.C. § 2011, et seq.), pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §136, et seq.) and any hazardous waste, toxic substance or related material, including any substance defined or treated as a "hazardous substance", "hazardous waste", or "toxic substance" (or comparable term) in the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901, et seq.), the Toxic Substances Control Act (15 U.S.C. §2601, et seq.), the Illinois Environmental Protection Act (Ill. Rev. Stat., Ch. 111-1/2, Sec. 1001, et seq.) and any rules or regulations promulgated pursuant to such statutes or any other applicable federal or state statute, rule or regulation or county or municipal law, ordinance, rule or regulation, as amended in each case.

"Individual Use Areas" means those portions of the Leased Premises designated from time to time by C.I.C.A. T.E.C. in accordance with Section

8.06 of this Agreement for the exclusive use by one or more, but less than all, of the I.T. Participating Airlines.

"International Use Agreements" means collectively the Chicago-O'Hare International Airport International Terminal Use Agreement and Facilities Leases dated as of January 1, 1990 between City and the airline named therein.

"I.T. Participating Airline" means a member of C.I.C.A. T.E.C., each of which is listed on Exhibit E hereto as such exhibit may be revised from time to time.

"Leased Premises" means those parts of the Demised Premises leased by City to C.I.C.A. T.E.C. pursuant to this Agreement, as described on Exhibit D hereto as such exhibit shall be revised in accordance with Section 4.01(a).

"Leased Premises Rental" means that Leased Premises Rental calculated pursuant to Section 4.01(a) for use of the Leased Premises.

"Majority-in-Interest" means during any Fiscal Year, either (i) any five or more I.T. Participating Airlines, which, in the Aggregate, paid 50% or more of International Terminal Area Fees and Charges and Special Revenue Bond Fees and Charges paid by all I.T. Participating Airlines for the preceding Fiscal Year, or (ii) any numerical majority of I.T. Participating Airlines, which, in the aggregate, paid 50% or more of International Terminal Area Fees and Charges and Special Revenue Bond Fees and Charges paid by all I.T. Participating Airlines for the preceding Fiscal Year. For purposes of calculating a Majority-in-Interest for any Fiscal Year prior to the first full Fiscal Year following the date of beneficial occupancy of the International Terminal, such calculation will be done by reference to the fees and charges for the use of Interim International Terminal paid by the I.T. Participating Airlines during such Fiscal Year. For purposes of determining a Majority-in-Interest, an airline shall not be considered an I.T. Participating Airline so long as (i) an Event of Default under Section 18.1 of such airline's International Use Agreement or (ii) an Event of Default under Article XI of the Members' Agreement has occurred and is continuing, and in either case City has given written notice of such Event of Default to such airline.

"Members'Agreement" means the C.I.C.A. Terminal Equipment Corporation Agreement dated as of January 1, 1990 between C.I.C.A. T.E.C. and the airlines named therein.

"Non-Participating Airline" means an airline which is not an I.T. Participating Airline.

"P.M.O." has the meaning ascribed to it in paragraph 2(b) of Exhibit B.

"Partial Taking" has the meaning ascribed to it in Section 9.04.

"Project Cost" means all costs arising from or related to Work performed or provided in connection with the Consortium Equipment, including without limitation contracts for services, labor and materials, schedule costs, change orders, insurance, claims for damages and all obligations payable by C.I.C.A. T.E.C. under Exhibit B.

"Risk Manager" means the City of Chicago, Comptroller's Office of Risk Management.

"Series 1990 Special Revenue Bonds" means the Chicago-O'Hare International Airport International Terminal Special Revenue Bonds, Series 1990A.

"Special Wastes" means those substances as defined in Section 1003.45, Ch. 111-1/2 of the Illinois Environmental Protection Act, and as further referred to in Section 809.13 of 35 Illinois Admin. Code, Subtitle G, Ch. 1.

"Super Majority-in-Interest" means, during any Fiscal Year, at least 67% of I.T. Participating Airlines, which, in the aggregate, paid 67% or more of International Terminal Area Fees and Charges and Special Revenue Bond Fees and Charges paid by all I.T. Participating Airlines for the preceding Fiscal Year. For purposes of calculating a Super Majority-in-Interest for any Fiscal Year prior to the first full Fiscal Year following the date of beneficial occupancy of the International Terminal, such calculation will be done by reference to the fees and charges for the use of Interim International Terminal paid by the I.T. Participating Airlines during such Fiscal Year. For purposes of determining a Super Majority-in-Interest, an airline shall not be considered an I.T. Participating Airline so long as (i) an Event of Default under Section 18.1 of such airline's International Use Agreement or (ii) an Event of Default under Article XI of the Members' Agreement has occurred and is continuing, and in either case City has given written notice of such Event of Default to such airline.

"Total Taking" has the meaning ascribed to it in Section 9.04.

"User" means any airline or handler which uses the Consortium Equipment.

"Work" means the planning, design, fabrication, installation, construction, start-up and testing of Consortium Equipment or Additional Equipment.

Section 1.02 Interpretation.

In this Agreement, unless the context otherwise requires:

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

(b) all Article and Section references, unless otherwise expressly indicated, are to Articles and Sections of this Agreement;

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

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

(e) words importing the singular shall include the plural and vice versa; and

(f) this Agreement shall be governed and construed in accordance with the laws of the State of Illinois.

Section 1.03 Incorporation Of Exhibits.

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

Exhibit A	Consortium Equipment
Exhibit B	Procedures for Work
Exhibit C	Easements
Exhibit D	Leased Premises
Exhibit E	IT Participating Airlines
Exhibit F	Certifications
Exhibit G	Affirmative Action Requirements
Exhibit H	Required Contract Provisions

Section 1.04 Amendments; Consents, Approvals, Etc.

(a) Except as otherwise expressly provided herein, the provisions of this Agreement may be amended or terminated only by a written agreement signed by City and the Chairperson of C.I.C.A. T.E.C., certifying approval of a Super Majority-in-Interest. Any other action, request, consent or approval by C.I.C.A. T.E.C. hereunder, including the requesting of City financing pursuant to the terms hereof, shall be deemed taken, made or given when approved in writing and signed by the Chairperson of C.I.C.A. T.E.C., certifying approval of a Majority-in-Interest.

Article II.

Grant Of Rights With Respect To Consortium Equipment; Lease Of Leased Premises; Grant Of Easements.

Section 2.01 Rights With Respect To Consortium Equipment.

(a) City hereby grants to C.I.C.A. T.E.C. the right to perform Work with respect to the Consortium Equipment and, subject to the provisions of Section 6.02, the Additional Equipment, if any, and to operate and maintain the Consortium Equipment and the Additional Equipment in connection with the operations of the International Terminal, on behalf of City, on the terms and subject to the conditions set forth herein.

(b) C.I.C.A. T.E.C. shall, at its own expense, operate the Consortium Equipment and the Additional Equipment, in accordance with reasonably prudent engineering and safety standards in the public transportation industry and in accordance with all applicable federal, state and local laws, executive orders and regulations.

(c) From the proceeds of the issuance of the Series 1990 Special Revenue Bonds, City has deposited in the Construction Fund created pursuant to the Special Revenue Bond Master Indenture an amount sufficient (including anticipated investment earnings) (the "Deposited Amount") to pay the estimated cost of $59,200,000 for the Consortium Equipment and the Work thereon. City Does Not Make Any Representation Or Warranty, Either Express Or Implied, That The Deposited Amount Will Be Sufficient To Pay The Costs Incurred For Performing Work With Respect To The Consortium Equipment. City Is Under No Obligation To Pay Any Costs Incurred For Performing Work With Respect To The Consortium Equipment.

(d) The Deposited Amount shall be made available to C.I.C.A. T.E.C. in accordance with the provisions of Exhibit B hereto to pay the cost of the

Work with respect to the Consortium Equipment described in Exhibit A hereto. In the event that the Deposited Amount is insufficient to pay the cost of the Work with respect to the Consortium Equipment (including all costs referred to as "Project Costs" herein), C.I.C.A. T.E.C. shall nevertheless be obligated to complete the Work with respect to the Consortium Equipment and to pay all costs in connection therewith. In such event, City and C.I.C.A. T.E.C. agree as follows:

(i) The most desirable source of funding for such additional costs is the proceeds of additional Special Revenue Bonds issued by City pursuant to Section 7.08 of the International Use Agreements.

(ii) In the event that Special Revenue Bonds are not issued, City and C.I.C.A. T.E.C. shall jointly redefine the scope of Work in relation to the Consortium Equipment in order to eliminate or reduce the need for additional sources of funding; provided, however, that such redefinition of scope does not substantially change the utility of the Consortium Equipment.

(iii) In the event that, for any reason, Special Revenue Bonds are not issued for such purpose and City and C.I.C.A. T.E.C. have not mutually agreed to a sufficient reduction of the scope of Work in relation to the Consortium Equipment, then City and C.I.C.A. T.E.C. shall jointly consider alternative means of financing such additional costs, including, without limitation, a bank loan.

(iv) In the event that Special Revenue Bonds are not issued and alternative means of financing such additional costs are not agreed to by the parties and City and C.I.C.A. T.E.C. have not mutually agreed to a sufficient reduction of the scope of Work in relation to the Consortium Equipment, then C.I.C.A. T.E.C. shall exercise its right under the Members' Agreement to require each I.T. Participating Airline to contribute its pro rata share of additional funding pursuant to Section 10.07 of the Members' Agreement. Any equipment wholly paid for pursuant to this provision shall be considered Additional Equipment.

(e) As the owner of the Consortium Equipment, City retains the right to use the Consortium Equipment in accordance with rules and regulations established by C.I.C.A. T.E.C. and approved by City and replace the Consortium Equipment, or any portion thereof, with other equipment of substantially similar utility and condition; provided such use or replacement does not materially adversely affect the operations of C.I.C.A. T.E.C.

(f) C.I.C.A. T.E.C. hereby acknowledges that neither C.I.C.A. T.E.C. nor any User will own, or have title to, the Consortium Equipment, and agrees that it will not treat itself, nor permit any User to treat itself, in any manner as the owner of any of the Consortium Equipment.

(g) C.I.C.A. T.E.C. Acknowledges And Agrees That City's Grant To C.I.C.A. T.E.C. Of The Rights With Respect To The Consortium Equipment And The Additional Equipment Set Forth In This Agreement Is "As-Is" Without Any Representation Or Warranty Either Express Or Implied By City As To (I) The Fitness For Any Particular Purpose Or Merchantability Of Any Item Or Items Of Consortium Equipment Or Additional Equipment, (II) City's Title, (III) C.I.C.A. T.E.C.'s Right To The Quiet Enjoyment Of The Consortium Equipment Or The Additional Equipment, Except As Otherwise Provided Herein, Or (IV) The Design Or Condition Of, Or As To The Quality Of The Material, Equipment Or Workmanship In The Consortium Equipment Or Additional Equipment.

Section 2.02 Lease Of Leased Premises; Grant Of Easements.

City hereby leases to C.I.C.A. T.E.C., on the terms and subject to the conditions set forth herein, the Leased Premises. City hereby grants to C.I.C.A. T.E.C., upon the terms and subject to the conditions set forth herein, the Easements. City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right at all reasonable times to enter the Leased Premises for the purpose of inspecting the same, for emergency repairs to utility systems, and for the doing of any act which City may be obligated or have the right to do under this Agreement; provided, however, that in exercising such rights, City shall not unreasonably interfere with C.I.C.A. T.E.C.'s use and occupancy of the Leased Premises.

Section 2.03 Rights Of Ingress And Egress.

Subject to Rules and Regulations, which shall not be inconsistent with the reasonable exercise of any right or privilege granted herein, C.I.C.A. T.E.C. shall at its own risk have the right of ingress to and egress from the Demised Premises for C.I.C.A. T.E.C., its employees, agents, sublessees, assigns, suppliers, invitees and providers of service and for each of their equipment, vehicles, machinery and other property.

Article III.

Use Of Demised Premises.

Section 3.01 Permitted Uses.

(a) C.I.C.A. T.E.C. shall have the right to use the Demised Premises for the purposes of performing Work with respect to and maintaining and operating the Consortium Equipment and the Additional Equipment, and for the carrying on of activities reasonably necessary or convenient in connection with the foregoing; provided, however, that any such performance of Work or maintenance or operation of the Consortium Equipment and the Additional Equipment shall be carried on so as to not unreasonably interfere with the safe operation of the Airport.

(b) C.I.C.A. T.E.C. covenants and agrees that at all times during the term of this Agreement it will comply with all applicable federal, state and local laws, executive orders and regulations applicable to its Work on and use of the Consortium Equipment, the Additional Equipment and the Demised Premises.

Section 3.02 Access To Consortium Equipment And Additional Equipment.

(a) C.I.C.A. T.E.C. shall operate the Consortium Equipment and the Additional Equipment, if any, so that both I.T. Participating Airlines and Non-Participating Airlines shall have full and complete access to and use of the Consortium Equipment and the Additional Equipment, except for Additional Equipment provided at the request and sole expense of any I.T. Participating Airline. C.I.C.A. T.E.C., by Majority-in-Interest approval, may establish reasonable rules and regulations regarding such access and use, including, without limitation, rules and regulations that may require that Non-Participating Airlines access to and use of the Consortium Equipment and the Additional Equipment be provided through handling arrangements which have been approved by C.I.C.A. T.E.C. Such rules and regulations shall be subject to the approval of the City, which approval shall not be unreasonably withheld or delayed. C.I.C.A. T.E.C. may require in such rules and regulations, as a condition to access to and use of the Consortium Equipment and the Additional Equipment, that a User execute agreements with C.I.C.A. T.E.C. providing for the payment of such fair and reasonable fees and charges, and such other matters as may be reasonably required by C.I.C.A. T.E.C.

(b) C.I.C.A. T.E.C., by Majority-in-Interest approval, in the rules and regulations referred to in Section 3.02(a) above, may establish fair and reasonable fees and charges for access to and use of the Consortium Equipment and the Additional Equipment by Non-Participating Airlines or their agents; provided, however, that in no event shall the rates charged Non-Participating Airlines for such access and use exceed 150% of the rates charged I.T. Participating Airlines for such access and use. In any event, such rates charged to Non-Participating Airlines shall be subject to the approval of City, which approval shall not be unreasonably withheld or delayed.

(c) An airline shall be entitled to become a member of C.I.C.A. T.E.C. by entering into an International Terminal Use Agreement with a term expiring no earlier than December 31, 2008 and by complying with the provisions of Article 12 of the Members' Agreement. C.I.C.A. T.E.C. may establish reasonable rules and regulations regarding admission of airlines as members of C.I.C.A. T.E.C., including the purchase of memberships, which rules and regulations shall be subject to the approval of City. C.I.C.A. T.E.C. agrees that in no event will the approval of the I.T. Participating Airlines be required for an airline to become a member of C.I.C.A. T.E.C. C.I.C.A. T.E.C. shall notify City of all new members of C.I.C.A. T.E.C., and Exhibit E shall thereafter be amended, without any further action by City or C.I.C.A. T.E.C., to include any such new member's name.

Section 3.03 Signs.

Subject to City's prior approval, which approval shall not be unreasonably withheld or delayed, C.I.C.A. T.E.C. may place signs on the Consortium Equipment, the Additional Equipment or the Leased Premises signs bearing names, trade names, trademarks or logos of C.I.C.A. T.E.C.

Section 3.04 City Approvals.

A matter requiring approval by City pursuant to this Article III shall be deemed approved if (1) City approves such matter in writing, or (2) C.I.C.A. T.E.C. is not notified in writing of City's disapproval within thirty (30) days of the submission of a written request by C.I.C.A. T.E.C. to City for approval. In the event City disapproves any such matter, City shall outline the reasons for such disapproval. Unless otherwise provided herein, the approval of the Commissioner shall constitute approval by City.

Article IV.

Rental, Fees And Charges.

Section 4.01 Leased Premises Rental.

(a) The Leased Premises Rental for each Fiscal Year shall be an amount equal to the product of (i) the number of square feet of the Leased Premises multiplied by (ii) a rental rate which shall be the sum of the I.T.-C.R.C. Base Rental Rate and the S.R.B. Base Rental Rate for such Fiscal Year. The number of square feet of the Leased Premises shall be determined following the submission of all as-built drawings for the Project, including the Consortium Equipment. Exhibit D hereto describing the Leased Premises shall be amended at the time of such submission of as-built drawings to set forth the exact number of square feet of Leased Premises and to include drawings, including field measurements of the Leased Premises. Such amendment of Exhibit D shall be accomplished by agreement of C.I.C.A. T.E.C. and the Commissioner on behalf of City, without any further required action by City.

(b) Not later than the tenth (10th) day of each month of each Fiscal Year after the date upon which the I.T. Participating Airlines' obligation to pay rentals commences pursuant to Section 2.02(a) of the International Use Agreement, C.I.C.A. T.E.C. shall pay City, without demand or invoice, an amount equal to 1/12 of Leased Premises Rental for such Fiscal Year.

(c) Except as provided for in this Agreement, no charges, taxes, fees, or tolls of any nature, direct or indirect, shall be imposed by City upon C.I.C.A. T.E.C., its employees, agents, passengers, guests, patrons, invitees, its or their suppliers of materials and furnishers of services for the lease or use of the Leased Premises; provided, however, that this provision shall in no way limit the charges, taxes, fees and tolls to be paid by I.T. Participating Airlines and Non-Participating Airlines pursuant to the International Use Agreements.

Section 4.02 Allocation Of Leased Premises Rentals, S.R.B. Equipment Charges and I.T.-C.R.C. Equipment Charges.

(a) The City acknowledges that C.I.C.A. T.E.C. shall allocate Leased Premises Rentals payable under Section 4.01 among I.T. Participating Airlines. City shall have the right to review and approve any agreement among I.T. Participating Airlines for such allocations, provided, however that City review and approval shall be limited to a determination that such allocation agreement is in compliance with Article III hereof.

(b) C.I.C.A. T.E.C. shall pay City, on behalf of the I.T. Participating Airlines and the Non-Participating Airlines in order to fulfill certain of such airlines' obligations pursuant to Article VI of the International Use Agreements, without demand or invoice, the aggregate of the S.R.B. Equipment Charges and the I.T.-C.R.C. Equipment Charges of the I.T. Participating Airlines and the Non-Participating Airlines due in accordance with the terms of Article VI of the International Use Agreements. Notwithstanding anything else to the contrary contained herein, City agrees that upon payment in full of the Special Revenue Bond Debt Service and Fund Deposit Requirements attributable to Special Revenue Bonds issued to fund Consortium Equipment, now or hereafter acquired by City, a capital cost component will not be included in future fees and charges assessed by the City for the use of such Consortium Equipment. In the event C.I.C.A. T.E.C. fails to pay S.R.B. Equipment Charges and I.T.-C.R.C. Equipment Charges pursuant to this Section 4.02(b), nothing contained herein or in any separate agreement shall be deemed to amend, limit or affect in any respect each I.T. Participating Airline's and each Non-Participating Airline's obligation to pay to the City I.T.-C.R.C. Equipment Charges or S.R.B. Equipment Charges in amounts calculated pursuant to Article V of such airline's International Use Agreement. This provision shall survive the termination of this Agreement.

(c) C.I.C.A. T.E.C. may, by separate agreement, reallocate among I.T. Participating Airlines the I.T.-C.R.C. Equipment Charges and S.R.B. Equipment Charges owed pursuant to the International Use Agreements. Nothing contained in any separate agreement shall be deemed to amend, limit or affect in any respect each I.T. Participating Airline's and each Non-Participating Airline's obligation to pay to City I.T.-C.R.C. Equipment Charges or S.R.B. Equipment Charges in amounts calculated pursuant to Article V of such airline's International Use Agreement.

Section 4.03 Utilities.

C.I.C.A. T.E.C. shall be responsible for paying for all utilities provided to C.I.C.A. T.E.C., its Contractors, agents, suppliers, employees or any User at the Demised Premises.

Article V.

Term: City Authority To Execute.

Section 5.01 Term; City Authority To Execute.

Upon execution and delivery of this Agreement by the parties hereto, this Agreement shall be effective as of May 21, 1990 (the "Effective Date") and shall terminate on May 11, 2018, unless terminated earlier in accordance with the terms hereof. City is authorized to execute this Agreement when the I.T. Participating Airlines shall consist of a "Majority-in-Interest of International Terminal Airlines Parties", as defined in the International Terminal Use Agreements, or such other combination of I.T. Participating Airlines as shall be approved in writing by the Commissioner.

Article VI.

Construction Of Consortium Equipment And Additional Equipment.

Section 6.01 Consortium Equipment.

C.I.C.A. T.E.C. shall perform Work, or cause Work to be performed, on Consortium Equipment financed in whole or in part with the Series 1990 Special Revenue Bonds in accordance with the procedures set forth in Exhibit B attached hereto. All such Work shall comply with all applicable federal, state and local laws, regulations and executive orders.

Section 6.02 Additional Equipment.

In addition to the Consortium Equipment, C.I.C.A. T.E.C., by Majority-in-Interest approval, or any I.T. Participating Airline may, from time to time, at its own expense, with the prior approval of City, install additional equipment, facilities and improvements and modify, replace or expand existing equipment, facilities or improvements in the Demised Premises; provided, however, that no such improvement shall be made if such improvements would interfere with the operations of the Airport or the use of the Demised Premises, any Consortium Equipment or any other Additional Equipment by City or any User. Pursuant to Article VII of the International Use Agreements, City, upon request of a Majority-in-Interest, may, but shall not be obligated to, agree to finance, in whole or in part, any such additional equipment, facilities and improvements and modifications, replacements and expansions of existing equipment, facilities and improvements through the issuance of Special Revenue Bonds, in which case such equipment, facilities and improvements shall be deemed to be Consortium Equipment. All other such additional equipment, facilities and improvements shall be deemed to be "Additional Equipment". Notwithstanding the foregoing, any equipment, facilities or improvements which are not removable without causing material damage to the Consortium Equipment or the Demise Premises shall also be deemed to be Consortium Equipment. All Work performed pursuant to this Section 6.02 shall comply with all applicable requirements of Exhibit B hereto and all applicable federal, state and local laws, regulations and executive orders.

Section 6.03 Ownership.

All Consortium Equipment shall immediately become and remain the property of City. All Additional Equipment shall become and remain the property of C.I.C.A. T.E.C. or the I.T. Participating Airline installing such Additional Equipment, as the case may be, and may be removed by C.I.C.A. T.E.C. or such I.T. Participating Airline at any time, in its sole discretion and at its own expense; provided, however, that any damage resulting from such removal shall be repaired by C.I.C.A. T.E.C. or such I.T. Participating Airline, as the case may be, at its own expense.

Section 6.04 Approval Of Contractors.

Prior to the hiring by C.I.C.A. T.E.C. of Contractors, C.I.C.A. T.E.C. shall submit a list of prequalified Contractors to City for review and approval. In addition, City shall have the right (but not the obligation) to review, and approve the form of, C.I.C.A. T.E.C.'s contract with any person or firm hired to act as a Contractor in connection with the performance of Work with respect to, and the operation and maintenance of, the Consortium Equipment. C.I.C.A. T.E.C. shall not under any circumstances utilize the services of any entity which is barred from contracting with City pursuant to any law, ordinance, rule or regulation. City shall provide C.I.C.A. T.E.C. with appropriate contract provisions to be included in its Contracts for Work entered into prior to the Date of Beneficial Occupancy of the International Terminal. C.I.C.A. T.E.C. shall not include in its Contracts other provisions which negate, conflict or otherwise void those contract provisions required by City. Such contract provisions shall include those provisions identified in the letter in Exhibit H attached hereto and incorporated by reference herein. Notwithstanding the foregoing, subject to the review and approval of City and its legal counsel, such contract provisions may be modified to conform to the nature of the Work to be performed by C.I.C.A. T.E.C. and its Contractors.

Section 6.05 Assignment Of Contracts.

All Contracts shall contain provisions making them assignable to City. Upon the occurrence of an Event of Default under this Agreement or under Section 6 of Exhibit B to this Agreement, City shall have the right to require that C.I.C.A. T.E.C. complete the assignment to City of any and all Contracts. Such assignment shall be in writing and in a form and substance acceptable to City. C.I.C.A. T.E.C. agrees that all such Contracts shall further contain a clause which provides that in the case of any Contract so assigned, the Contractor shall be deemed to have waived any and all claims, suits and causes of action arising out of or relating to the performance of such Contract prior to the effective date of such assignment, unless such Contractor notifies City in writing of such claim, suit or cause of action prior to the effective date of such assignment. City shall not be responsible for any claims relating to such Contracts arising from or related to any fraud, misrepresentation, negligence or willful or intentionally tortious conduct by C.I.C.A. T.E.C., its officials, employees, agents or Contractors.

Section 6.06 Compliance With Prevailing Wage.

All Contracts shall contain provisions complying with Chapter 48, Section 39S-2 et seq., Ill. Rev. Stat. 1989, as it may be amended ("Act"), so long as the Act is in effect, in order to ensure that such persons covered by the Act are paid the prevailing wage rate as ascertained by the Illinois Department of Labor. All Contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed in the Contract. If the Illinois Department of Labor revises such prevailing wage rates, the revised rates shall apply to any Contracts. Upon request by City, C.I.C.A. T.E.C. shall provide City with copies of all Contracts to evidence compliance with the provisions of the Act.

Article VII.

Maintenance, Repair, Renewal And Replacement By C.I.C.A. T.E.C.

Section 7.01 Maintenance, Repair, Renewal And Replacement By C.I.C.A. T.E.C.

(a) C.I.C.A. T.E.C. shall be responsible for and shall perform or cause to be performed, maintenance and repair of the Demised Premises. C.I.C.A. T.E.C. shall, at all times:

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

(ii) Maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs, replacements and painting, such repairs, replacements and painting by C.I.C.A. T.E.C. to be of a quality and class not inferior to the standards set forth in the appropriate rules and regulations adopted by City for the Airport. In addition, for any Consortium Equipment installed in or on the Demised Premises, C.I.C.A. T.E.C. shall repair, maintain and replace such equipment as is necessary to assure that at the end of the term hereof the fair market value of such equipment and its remaining useful life will be consistent with, and sufficient to establish for applicable tax and accounting purposes, ownership of such equipment by City;

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

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

(b) C.I.C.A. T.E.C. shall be responsible for and shall perform or cause to be performed, all maintenance, repair, renewal and replacement, structural or non-structural, of the Consortium Equipment and the Additional Equipment so as to keep the Consortium Equipment and the Additional Equipment in good, sightly and safe operating condition, reasonable wear and tear excepted. C.I.C.A. T.E.C. shall, at its own expense, maintain the Consortium Equipment and the Additional Equipment in accordance with reasonably prudent engineering and safety standards in the public transportation industry and in accordance with all applicable federal, state and local laws, executive orders and regulations.

(c) In the event C.I.C.A. T.E.C. fails to perform any obligation required by this Article VII to be performed by C.I.C.A. T.E.C. for a period of thirty (30) days after notice from City to do so, City may enter the Demised Premises involved (without such entering causing or constituting a termination of this Agreement or an interference with the possession of the Demised Premises by C.I.C.A. T.E.C.) and do all things necessary to perform such obligation, charging to C.I.C.A. T.E.C., or, at the option of the City, to the I.T. Participating Airlines and Non-Participating Airlines, the cost and expense thereof as an O. & M. Expense of the International Terminal Area includable in the calculation of the I.T.-C.R.C. Equipment Charges under the International Use Agreements; provided, however, that the foregoing shall not apply with respect to any such failure which cannot with due diligence be cured within such thirty (30) day period if corrective action is instituted by C.I.C.A. T.E.C. within a reasonable time and diligently pursued until such failure is corrected; provided, further, however, that if C.I.C.A. T.E.C.'s failure to perform endangers the health or safety of the public or of employees of City, and City so states in its written notice to C.I.C.A. T.E.C., City may perform such obligation of C.I.C.A. T.E.C., at any time after the giving of verbal notice and charge to C.I.C.A. T.E.C., or, at the option of the City, to the I.T. Participating Airlines and Non-Participating Airlines, as aforesaid, the cost and expense of such performance.

Article VIII.

Additional Covenants Of C.I.C.A. T.E.C.

Section 8.01 Quarterly Reports.

Within twenty (20) days after the end of each fiscal quarter, C.I.C.A. T.E.C. shall deliver to City a report with respect to the operation and maintenance of the Consortium Equipment, covering such matters as City may reasonably request from time to time.

Section 8.02 Material Adverse Events.

Promptly upon the occurrence of any event of which C.I.C.A. T.E.C. has knowledge (other than general economic conditions) which has, or could have, a material adverse impact on the Consortium Equipment or the operations of the International Terminal, C.I.C.A. T.E.C. shall notify City of such event.

Section 8.03 Records, Audits And Confidentiality; Inspection Rights.

(a) All documents, data, studies and reports and instruments of service prepared under or in connection with this Agreement are the property of City. C.I.C.A. T.E.C. shall be responsible for any loss or damage to documents while in C.I.C.A. T.E.C.'s possession or the possession of its Contractors and any such document so lost or damaged shall be restored at the expense of C.I.C.A. T.E.C.

(b) Promptly upon reasonable demand by City or upon termination, C.I.C.A. T.E.C. shall deliver, or cause to be delivered to City all documents prepared under or in connection with this Agreement, including but not limited to drawings, models, specifications, estimates, reports, studies, maps and computations. In the event of the failure by C.I.C.A. T.E.C. to make such delivery upon demand or termination, then and in that event, C.I.C.A. T.E.C. shall pay to City any damages City may sustain by reason thereof.

(c) All of the reports, information, or data prepared or assembled by or provided to C.I.C.A. T.E.C. under this Agreement are confidential and C.I.C.A. T.E.C. agrees, and shall cause its officials, employees and Contractors to agree that, except as specifically authorized herein or as may be necessary for the design, purchase, installation, operation and maintenance of the Consortium Equipment or as may be required by law, it shall not make available said reports, information or data to any other individual or organization, except City without the prior written approval of the Commissioner.

(d) In the event C.I.C.A. T.E.C. is presented with a request for documents by any administrative agency or with a subpoena duces tecum regarding any records, data, or documents which may be in C.I.C.A. T.E.C.'s possession by reason of this Agreement, C.I.C.A. T.E.C. shall immediately give notice to the P.M.O. and to the Corporate Counsel for City with the understanding that City shall have the opportunity to contest such process by any means available to it before such records or documents are submitted to a court or other third party; provided, however, that C.I.C.A. T.E.C. shall not be obligated to withhold such delivery beyond that time as may be ordered by the court or administrative agency, unless the subpoena or request is quashed or the time to produce is otherwise extended.

(e) C.I.C.A. T.E.C. shall furnish, or cause to be furnished, to the P.M.O. such information as may be requested relative to the progress, execution and cost of the Work. C.I.C.A. T.E.C. shall maintain, or cause to be maintained, records showing actual time devoted and costs incurred. All books and accounts in connection with the Work shall be open to inspection by authorized representatives of City. C.I.C.A. T.E.C. shall make these records available, or cause them to be made available and shall retain them in a safe place and make them available for inspection for at least five (5) years after the Completion of the Work.

(f) C.I.C.A. T.E.C. shall maintain, or cause to be maintained, its books, records, documents, and other evidence, and adopt, or cause to be adopted, accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred for or in connection with the Work for five (5) years after the Completion of the Work. This system of accounting shall be in accordance with generally accepted accounting principles and practices, consistently applied throughout.

(g) C.I.C.A. T.E.C. shall permit an authorized representative of City or any other governmental authority having jurisdiction over the Airport to visit and inspect the Demised Premises, the Consortium Equipment and the Additional Equipment and the books and records of C.I.C.A. T.E.C. (and to make copies thereof) and to discuss its affairs with the Chairperson of C.I.C.A. T.E.C. at such reasonable times and as often as City or such other governmental authority may reasonably request, all upon reasonable notice; provided, however, that such visitation and inspection shall not materially interfere with the conduct of C.I.C.A. T.E.C.'s functions under this Agreement.

(h) No provision in this Agreement granting City a right of access is intended to impair, limit or affect any right of access to which City would have had in the absence of such provisions.

(i) C.I.C.A. T.E.C. further agrees to implement such measures as may be necessary to ensure that its staff and its Contractors shall be bound by the provisions of this Section 8.03.

Section 8.04 Membership And Membership Fees.

Without prior approval of City, C.I.C.A. T.E.C. shall not amend, modify or change the requirements to become a member of C.I.C.A. T.E.C., including without limitation the calculation of fees and charges required to be paid to become a member.

Section 8.05 Inconsistent Provisions.

C.I.C.A. T.E.C. shall not amend its articles of incorporation or bylaws in such a manner that such articles or bylaws will contain a provision which is inconsistent with the terms of this Agreement.

Section 8.06 Individual Use Areas.

C.I.C.A. T.E.C. shall not designate the Demised Premises, or any part thereof, as an Individual Use Area unless, at its own expense, it delivers to City an opinion of nationally recognized bond counsel that such designation or use thereof as an Individual Use Area does not conflict with or violate the Tax Agreement delivered by City in connection with the issuance of the Series 1990 Special Revenue Bonds.

Article IX.

Indemnity And Insurance.

Section 9.01 Indemnity.

(a) C.I.C.A. T.E.C. agrees to defend, indemnify, keep, save and hold harmless City, its agents, officials and employees against all claims, suits, judgments, losses, obligations, costs and expenses, including legal fees and expenses, arising out of or in connection with C.I.C.A. T.E.C.'s use or occupancy of the Demised Premises, or the performance of Work on or operation and maintenance of the Consortium Equipment or the Additional Equipment and not arising from the neglect, act or omission of City, its agents, officials and employees. In any and all claims against City, its agents, officials and employees, by any employee of C.I.C.A. T.E.C. or anyone for whose acts C.I.C.A. T.E.C. may be liable, the indemnification obligation under this Section 9.01 shall not be limited in any way by any limitation on the amount or type of damage, compensation, or benefits payable by or for C.I.C.A. T.E.C. under worker's compensation acts, disability benefit acts, or employee acts. C.I.C.A. T.E.C.'s obligations hereunder shall not be limited by any obligation regarding insurance coverage and shall not be limited to the amount of any insurance proceeds available. This indemnity by C.I.C.A. T.E.C. shall survive the termination of this Agreement.

(b) C.I.C.A. T.E.C. shall incorporate into all Contracts a comparable provision to Section 9.01(a) pursuant to which its Contractors of any tier shall indemnify City, its agents, officials and employees.

(c) City agrees to promptly notify C.I.C.A. T.E.C. of any loss, cost, expense or liability of which City has acknowledge and for which City is claiming indemnification hereunder and to give C.I.C.A. T.E.C. authority, information and assistance for the defense of any claim or action.

Section 9.02 Insurance Maintained By C.I.C.A. T.E.C.

(a) Upon execution of this Agreement and until the Date of Beneficial Occupancy of the International Terminal, C.I.C.A. T.E.C. shall provide and maintain, as a Project Cost, in connection with the performance of any Work under this Agreement, the insurance coverages set forth below for protection from all claims which may arise out of or result from its Work provided, whether such Work is performed by C.I.C.A. T.E.C. directly or through any Contractor, or by anyone for whose acts any of them may be liable. C.I.C.A. T.E.C. shall not commence to perform any of the Work until it has provided the P.M.O. certificates evidencing the insurance required under this Section 9.02(a) in the form and amounts herein specified, with insurance companies reasonably acceptable to the Risk Manager, and such insurance has been approved by the Risk Manager; provided, however, that the Risk Manager shall be entitled to require submittal of copies of all policies evidenced by such certificates prior to the approval of such insurance. The kinds and amounts of insurance required are as follows:

(i) Worker's Compensation And Occupational Disease Insurance.

Worker's Compensation and Occupational Disease Insurance as required by the Illinois Revised Statutes, as amended, and Employer's Liability coverage with limits of not less than $500,000 covering all employees who provide Work or services under this Agreement.

(ii) Commercial General Liability (or Equivalent Coverage).

The insurance required shall consist of liability insurance including bodily injury liability, property damage liability and personal injury liability in an amount not less that $50,000,000 per occurrence. Subject to the terms, conditions and stipulations of such form, such insurance shall contain, but not be limited to, the following:

1. A blanket contractual liability endorsement covering written and oral contractual liability;

2. Independent contractors coverage;

3. Cross liability endorsement;

4. Products/completed operations coverage with a minimum two year extension of coverage following policy expiration;

5. Broad form property damage;

6. Explosion, Collapse, and Underground coverage;

7. Severability of interests.

City, its officials, employees and agents, are to be named as additional insureds.

(iii) Automobile Liability Insurance.

When any motor vehicles are used in connection with Work to be performed, Automobile Liability Insurance with limits of not less than $2,000,000 per occurrence combined single limit, for bodily injury and property damage. City, its officials, employees and agents, are to be named as additional insureds.

(iv) Builder's Risk Insurance.

C.I.C.A. T.E.C. shall, as a Project Cost, maintain All Risk Builder's Risk Insurance upon its entire work on the Project Site at the full replacement value thereof. This insurance shall name City, its officials, employees, and agents, as additional insureds.

(v) Professional Liability.

When any architects, engineers, or consulting firms perform Work in connection with this Agreement, Professional Liability Insurance shall be maintained with limits of $1,000,000. The policy shall include Prior Acts coverage and/or Extended Reporting Period.

(vi) Valuable Papers.

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, valuable papers insurance shall be obtained in an amount to insure against any loss whatsoever, and shall have limits sufficient to pay for the recreation and reconstruction of such records.

(vii) Project Coverage.

Property Insurance Coverage shall be maintained on Contractor's equipment and property which is not to be incorporated in the Project, including but not limited to tools, equipment and materials. Each Contractor shall waive its rights of subrogation against City.

The following alternative coverages may, in C.I.C.A. T.E.C.'s discretion, be substituted for the comparable coverages identified above:

(i) Project Professional Liability Policy.

As an alternative, the P.M.O. may cause the Construction Manager to name C.I.C.A. T.E.C. and its Contractors as additional insureds on the Project Professional Liability policy obtained by the Construction Manager. In that event, C.I.C.A. T.E.C. shall compensate the P.M.O. for any increase in the premium for such coverage as a result of adding C.I.C.A. T.E.C. and its Contractors. Further, the P.M.O. reserves the right to retain one percent (1%) of those amounts charged on C.I.C.A. T.E.C.'s monthly invoices to be deposited in a Project Professional Liability Deductible Fund which will be used to satisfy any deductibles incurred under the Project Professional Liability policy. If the one percent (1%) retention does not satisfy the $150,000 deductible per claim, City shall deduct from the Deposited Amount funds necessary to cover any deficiency.

(ii) Project Commercial General Liability Policy.

As an alternative, the P.M.O. may cause the Construction Manager to name C.I.C.A. T.E.C. and its Contractors on the Project Commercial General Liability policy. In that event, C.I.C.A. T.E.C. shall compensate the P.M.O. for any increase in the premium for such coverage as a result of adding C.I.C.A. T.E.C. City reserves the right to deduct from the Deposited Amount payment for those claims incurred by C.I.C.A. T.E.C. which are subject to the deductible amount of $50,000 per year aggregate.

(iii) Project Builder's Risk Policy.

As an alternative, the P.M.O. may cause the Construction Manager to include the Work performed by C.I.C.A. T.E.C. on the Project Builder's Risk policy. In that event, C.I.C.A. T.E.C. shall compensate the P.M.O. for any increase in the premium for such coverage as a result of adding such Work. P.M.O. reserves the right to deduct from the Deposited Amount payments for those claims incurred by C.I.C.A. T.E.C. which are subject to the deductible amount of $10,000 per claim.

(b) C.I.C.A. T.E.C. shall maintain or cause to be maintained at all times, at C.I.C.A. T.E.C.'s own expense, after the Date of Beneficial Occupancy of the International Terminal and until the date of termination of this Agreement, the types of insurance specified in this Section 9.02(b), with insurance companies reasonably acceptable to the Risk Manager covering all operations under this Agreement, whether performed by C.I.C.A. T.E.C. or by Contractors. Failure to carry or keep such insurance in force shall constitute a violation of this Agreement, and City maintains the right to terminate this Agreement. C.I.C.A. T.E.C. shall provide City certificates evidencing such insurance; provided, however, the Risk Manager shall be entitled to require submittal of copies of all policies evidenced by such certificates prior to the approval of such insurance. The kinds and amounts of insurance required are as follows:

(i) Worker's Compensation and Occupational Disease Insurance.

Worker's Compensation Insurance as required by Illinois statutes and Employees Liability Insurance covering all employees who perform any functions under this Agreement.

(ii) Commercial and Umbrella Liability Insurance.

Commercial and Umbrella Liability Insurance or equivalent with limits of not less than $250,000,000 per occurrence, combined single limit, for bodily injury and/or property damage liability. Products/completed operations, independent contractors, fire, explosion, collapse, underground, pollution and contractual liability coverages are to be included. City, its officials, employees and agents, are to be named as an additional insured.

(iii) Automobile Liability Insurance.

When any motor vehicles are used in connection with the performance of this Agreement, Automobile Liability Insurance with limits of not less than $2,000,000 per occurrence combined single limit, for bodily injury and property damage. City, its officials, employees and agents, are to be named as an additional insured. Policy is for both airside and landside operations.

(iv) All Risk Builders Risk Insurance.

When any Work is undertaken after the Date of Beneficial Occupancy of the International Terminal, including improvements, betterments and/or repairs, All Risk Builders Risk Insurance to cover material, equipment and supplies at job site and in transit shall be maintained until such time as the Risk Manager, in his or her discretion, deems such coverage unnecessary. The coverage shall be in such amounts as the Risk Manager shall deem commercially adequate. City shall be named as owner unless the Work is on Additional Equipment.

(v) Professional Liability.

When any architects, engineers, or consulting firms perform Work in connection with this Agreement, Professional Liability Insurance shall be maintained with limits of $1,000,000. The policy shall include prior acts, coverages and/or extended reporting period.

(vi) Valuable Papers.

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, valuable papers insurance shall be obtained in an amount of not less than $50,000 to insure against any loss whatsoever, and shall have limits sufficient to pay for the recreation and reconstruction of such records.

City shall maintain property coverage for the Consortium Equipment pursuant to the terms of the International Use Agreements. City shall not be obligated to maintain property coverage for the Additional Equipment.

(c) The following conditions shall apply to the insurance required to be maintained by C.I.C.A. T.E.C. both prior to and after the Date of Beneficial Occupancy of the International Terminal:

(i) C.I.C.A. T.E.C. will furnish the Risk Manager original certificates of insurance evidencing the coverage required to be in force on the applicable dates in this Agreement, and renewal certificates of insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement.

(ii) All policies shall be written with companies licensed by or authorized under the insurance laws of the State of Illinois to do business within the State of Illinois, unless otherwise approved by the Risk Manager. Each policy shall state that the insurance evidenced thereby will not be cancelled or materially changed without at least ninety (90) days prior written notice addressed to the P.M.O.

(iii) At least thirty (30) days prior to expiration of any coverage required in this Section 9.02, or the renewal of any such coverage, C.I.C.A. T.E.C. shall be required to provide new certificates of insurance to the P.M.O. evidencing the continuation of the coverage upon the same terms as the expiring coverage.

(iv) The insurance shall provide for 60 days prior written notice to be given to the Risk Manager in the event coverage is substantially changed, cancelled, or non-renewed.

(v) C.I.C.A. T.E.C. shall require all Contractors of any tier to carry the insurance required herein, or C.I.C.A. T.E.C. may provide the coverage for any or all Contractors of any tier and, if so, the evidence of insurance submitted shall so stipulate.

(vi) C.I.C.A. T.E.C. expressly understands and agrees that any insurance protection furnished hereunder shall in no way limit C.I.C.A. T.E.C.'s responsibility to indemnify and save harmless the City under this Agreement.

(d) The Risk Manager maintains the right to modify, delete, alter or change the requirements contained herein.

(e) In the event C.I.C.A. T.E.C. fails to perform any obligation required pursuant to this Section 9.02, City may do all things necessary to perform such obligation. Any costs incurred by City shall be deemed to be an O. & M. Expense of the International Terminal Area includable in the calculation of the I.T.-C.R.T. Equipment Charges under the International Use Agreements.

(f) C.I.C.A. T.E.C. shall require in its agreements with its Contractors that all policies of insurance that are in any way related to the Project and that are secured and maintained by the Contractors include clauses providing that each insurance carrier shall waive all of its rights of recovery, under subrogation or otherwise, against City and C.I.C.A. T.E.C.

Section 9.03 Use Of Insurance Proceeds.

(a) If the Consortium Equipment, or any portion thereof, is damaged or destroyed by fire or other casualty, City shall deposit the proceeds of insurance actually received with respect thereto in a construction fund, and C.I.C.A. T.E.C. shall, to the extent of such proceeds, and subject to such reasonable terms and conditions as may be imposed by City and subject to the terms of Exhibit B hereto, forthwith repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed Consortium Equipment to (i) substantially the same condition, character and utility value as existed prior to the event causing such damage or destruction or (ii) such other condition, character and value as may be agreed upon by City and C.I.C.A. T.E.C.

(b) If the proceeds of insurance received by the City on account of such damage or destruction are insufficient to restore or replace the Consortium Equipment, so long as City has the right and power to issue Special Revenue Bonds, City may, but shall not be obligated to, issue Special Revenue Bonds, pursuant to Article VII of the International Use Agreements, to cover the cost of the deficiency from the proceeds of such insurance. C.I.C.A. T.E.C. shall use the proceeds of any such Special Revenue Bonds to restore or replace the Consortium Equipment.

(c) If the proceeds of insurance received on account of damage to or destruction of the Consortium Equipment are in excess of the amount necessary to repair, reconstruct and restore the Consortium Equipment, the amount of such excess shall be treated as Non-Airline Revenues of the International Terminal Area allocable to the Equipment Cost Center.

Section 9.04 Condemnation.

(a) Any condemnation or taking of such a substantial part of the Consortium Equipment that results in the Consortium Equipment being unsuitable, or the use thereof being economically unfeasible, is herein referred to as a "Total Taking". In the event of a taking of the Consortium Equipment other than a Total Taking (a "Partial Taking"), this Agreement shall remain in effect and, if the proceeds of any award received by City on account of such Partial Taking are sufficient to restore or replace the Consortium Equipment so taken, City shall deposit the proceeds of the award with respect to the Consortium Equipment in a construction fund and C.I.C.A. T.E.C. shall forthwith (subject to unavoidable delays) apply such proceeds, subject to the terms of Exhibit B hereto, to the restoration or replacement of the Consortium Equipment so taken as nearly as possible to (i) such condition, character and utility value as existed prior to such Partial Taking, or (ii) to such other condition, character and value as may be agreed upon by City and C.I.C.A. T.E.C.

(b) In the event of a Partial Taking, if the proceeds of any award received by City on account of such Partial Taking are insufficient to restore or replace the Consortium Equipment so taken, as provided above, so long as City has the right and power to issue Special Revenue Bonds City, upon request of C.I.C.A. T.E.C., may, but shall not be obligated to, issue Special Revenue Bonds pursuant to Article VII of the International Use Agreement to cover the cost of the deficiency from the proceeds of such issuance. C.I.C.A. T.E.C. shall use the proceeds of any such Special Revenue Bonds to restore or replace the Consortium Equipment.

(c) If for any reason the proceeds of an award received by the City on account of the condemnation or taking of any part of the Consortium Equipment are in excess of the amount necessary to restore or replace the Consortium Equipment, the amount of such excess shall be treated as Non-Airline Revenues of the International Terminal Area allocable to the Equipment Cost Center.

(d) In the event that the City receives the proceeds of an award on account of the condemnation or taking of any Additional Equipment, such proceeds shall be transferred to the owner of such Additional Equipment.

Article X.

Taxes; Liens.

Section 10.01 Taxes, Licenses And Permits.

Subject to the provisions of Section 18.02, C.I.C.A. T.E.C. shall, at its own expense, pay all applicable taxes and assessments and obtain all licenses, permits, certificates and other authorizations required by any governmental authority in connection with the operations or activities performed by it hereunder.

Section 10.02 Liens Prohibited.

(a) C.I.C.A. T.E.C. covenants and agrees that it shall notify its Contractors of any tier that no mechanics' liens under Ill. Rev. Stat., Ch. 82, par. 23 ("mechanics' liens") will be permitted to arise, be filed or maintained against the Demised Premises or the Consortium Equipment or any part thereof or any interest therein or any improvements thereon, against any monies due or to become due to any Contractors of any tier for or on account of any work, labor, services, materials, equipment or other items performed or furnished for or in connection with the Demised Premises or the Consortium Equipment; and C.I.C.A. T.E.C. for itself, its Contractors, laborers and material suppliers and employees does hereby expressly waive, release and relinquish such liens and all rights to file or maintain such liens and agrees further that this waiver of liens and waiver of the right to file or maintain such liens shall be an independent covenant.

(b) If any of C.I.C.A. T.E.C.'s Contractors, suppliers, employees or any other person directly or indirectly acting for, through or under any of them files or maintains a lien or claim as described in paragraph (a) above, C.I.C.A. T.E.C. agrees to cause such liens and claims to be satisfied, removed or discharged, as a Project Cost, by Bond, payment or otherwise within thirty (30) calendar days from the date of the filing thereof; provided, however, the City may extend the thirty-day period if City determines that such lien or claim cannot be so satisfied, removed or discharged in such period and that C.I.C.A. T.E.C. is proceeding diligently to cause such liens or claims to be satisfied, removed or discharged. Upon C.I.C.A. T.E.C.'s failure to cause such liens or claims to be satisfied, removed or discharged, City shall have the right, in addition to all other rights and remedies provided under this Agreement or by law, to cause such liens or claims to be satisfied, removed or discharged as a Project Cost, such cost to include legal fees and disbursements.

C.I.C.A. T.E.C. shall give, or cause to be given, a copy of the provisions set forth in this Section 10.02 to all Contractors and suppliers and shall include these provisions in all written Contracts with Contractors and suppliers and/or give written notice of same to all Contractors, suppliers or other persons having oral agreement with such Contractors or suppliers.

Article XI.

Termination.

Section 11.01 Termination By City.

(a) In addition to the termination provisions with respect to Work set forth in paragraph 8 of Exhibit B, the failure by C.I.C.A. T.E.C. to observe and perform any covenant, condition or agreement in this Agreement other than those in Exhibit B, for a period of sixty (60) days after written notice from City to C.I.C.A. T.E.C. specifying such failure and requesting that it be remedied, shall constitute an Event of Default by C.I.C.A. T.E.C. hereunder; provided, however, that any such failure which can be cured, but which cannot with due diligence be cured within such sixty (60) day period, shall not constitute an Event of Default if corrective action is instituted by C.I.C.A. T.E.C. within the applicable period and diligently pursued until the failure is corrected.

(b) Whenever an Event of Default under this Article XI by C.I.C.A. T.E.C. has occurred and is continuing, City to the extent permitted by law and upon prior written notice to C.I.C.A. T.E.C. may, subject to the provisions of any other agreement then in effect between C.I.C.A. T.E.C. and City, take any one or more of the following remedial steps:

(i) City may terminate this Agreement and exclude C.I.C.A. T.E.C. from possession of the Demised Premises;

(ii) City may, without terminating this Agreement; exclude C.I.C.A. T.E.C. from possession of the Demised Premises and use reasonable efforts to lease the Leased Premises to another for the account of C.I.C.A. T.E.C., holding C.I.C.A. T.E.C. liable for amounts payable by C.I.C.A. T.E.C. under this Agreement and take over the operation and maintenance of the Consortium Equipment; and

(iii) City may require that C.I.C.A. T.E.C. assign to it any and all Contracts in accordance with Section 6.05 hereof;

provided, however, that the termination of this Agreement shall not have any effect on the rights or obligations of the I.T. Participating Airlines, and the Non-Participating Airlines under the International Use Agreements.

Section 11.02 Termination By C.I.C.A. T.E.C.

If there is neither an Event of Default under Section 11.01 nor an "event of default" as defined in Exhibit B, C.I.C.A.

T.E.C. may terminate this Agreement by giving City sixty (60) days advance notice upon or after the happening and during the continuance of any one of the following events:

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

(b) the substantial restriction of the City's operation of the Airport by action of any federal or state agency having jurisdiction with respect thereto, and the continuance thereof for a period of not less than sixty (60) days, provided such restriction adversely and materially affects the use of the Consortium Equipment by C.I.C.A. T.E.C. in connection with the air transportation business of the Users;

provided, however, that the termination of this Agreement shall not have any effect on the rights or obligations of the I.T. Participating Airlines and the Non-Participating Airlines under the International Use Agreements.

Article XII.

International Terminal Gate Control Office.

Section 12.01 International Terminal Gate Control Office.

Subject to the provisions of Section 3.05 of and Exhibit D to the International Use Agreements, the day-to-day administration of the policies and procedures for providing a priority gate use allocation policy for the International Terminal will be conducted by the International Terminal Gate Control Office. C.I.C.A. T.E.C. will contract for, with the consent of City, an operator for the International Terminal Gate Control Office to perform gate coordination activities at the International Terminal in accordance with Section 3.05 of the International Use Agreements. The City, however, retains the right to direct C.I.C.A. T.E.C. to dismiss such operator for material cause and, upon such direction, C.I.C.A. T.E.C. shall dismiss such operator. C.I.C.A. T.E.C. shall be solely responsible for all expenses incurred in connection with such dismissal.

Article XIII.

Surrender Of Possession.

Section 13.01 Surrender Of Possession.

Upon termination of this Agreement, whether at the expiration of the terms hereof or otherwise, C.I.C.A. T.E.C. shall promptly surrender the Demised Premises and the Consortium Equipment in such condition as C.I.C.A. T.E.C. is obligated to maintain the Demised Premises and the Consortium Equipment hereunder and, to the extent not already provided, all books and records concerning the operation and maintenance of the Consortium Equipment.

Article XIV.

Quiet Enjoyment.

Section 14.01 Quiet Enjoyment.

Upon payment by C.I.C.A. T.E.C. of all rents, fees and charges due hereunder and the performance of the covenants and agreements on the part of C.I.C.A. T.E.C. to be performed hereunder, C.I.C.A. T.E.C. shall peaceably have and enjoy possession of the Demised Premises, and the licenses and privileges granted herein, free of claims of those claiming by, through or under City. City covenants that licenses and privileges granted to others at the Airport will not unreasonably interfere with C.I.C.A. T.E.C.'s use of the Easements for the purposes set forth herein.

Article XV.

Exercise By City of Governmental Functions.

Section 15.01 Exercise By City Of Governmental Functions.

Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require C.I.C.A. T.E.C., its Contractors, agents, suppliers, or employees to pay any tax or to procure necessary permits or licenses; provided such requirement is not inconsistent with the rights and privileges granted to C.I.C.A. T.E.C. hereunder.

Article XVI.

Operation Of Airport.

Section 16.01 Operation Of Airport.

City shall operate and maintain the Airport in all respects in a manner that complies with all federal, state and local regulations pertaining to airport operations and in a manner that is consistent with a reasonably prudent operator of an airport, and keep in good condition and repair all roadways, waterlines, sewerlines, drainage ditches, additions, improvements, facilities, and equipment now or hereafter provided, including electricity and other utility and fire protection systems, serving the Leased Premises but located outside the Leased Premises.

Article XVII.

Similar Facilities.

Section 17.01 Similar Facilities.

City may in its sole discretion construct facilities which have functions that are similar to the Leased Premises and the Consortium Equipment and the Additional Equipment and C.I.C.A. T.E.C. shall not have any rights hereunder with respect to such facilities.

Article XVIII.

Rules And Regulations; Compliance With Laws.

Section 18.01 Rules And Regulations.

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

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

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

Section 18.02 Compliance With Laws.

City and C.I.C.A. T.E.C. shall comply with all applicable federal, state and local laws, codes, regulations, ordinances, executive orders, rules and orders, including without limitation all environmental laws; provided, however, that City or C.I.C.A. T.E.C. may, without being considered to be in breach hereof, contest any such laws so long as such contest is diligently commenced and prosecuted by City or C.I.C.A. T.E.C., as the case may be, unless the Commissioner reasonably determines that failure to comply with such laws, codes, regulations, ordinances, executive orders, rules and orders constitutes a health or safety hazard at the Airport. C.I.C.A. T.E.C. shall complete, and shall cause each of its Contractors to complete, as may be reasonably requested by City, such affidavits or certificates as may be necessary to comply with any federal, state or local laws in the award of public contracts, including without limitation the affidavits or certificates contained in Exhibit F attached hereto and incorporated by reference herein.

Section 18.03 Compliance With Environmental Requirements.

C.I.C.A. T.E.C. shall, in conducting any activity or business on the Demised Premises, including environmental response or remedial activities, comply with all Environmental Requirements, including but not limited to Environmental Requirements regarding the storage, use and disposal of Hazardous Materials or Special Wastes and regarding releases or threatened releases of Hazardous Materials or Special Wastes to the environment.

Section 18.04 Review Of Environmental Documents.

C.I.CA. T.E.C., at the request of City, shall make available for inspection and copying upon reasonable notice and at reasonable times, any or all of the documents and materials C.I.C.A. T.E.C. has prepared pursuant to any Environmental Requirement or submitted to any governmental regulatory agency. If there is an Environmental Requirement to file any notice or report of a release or threatened release of Hazardous Materials or Special Wastes on, under or about the Demised Premises, C.I.C.A. T.E.C. shall provide a copy of such report or notice to City, and to the extent practicable, shall receive the approval of City prior to submitting such notice or report to the appropriate governmental agency.

Section 18.05 Access For Environmental Inspection.

City shall have reasonable access to the Demised Premises to inspect the same to confirm that C.I.C.A. T.E.C. is using the Demised Premises in accordance with Environmental Requirements. C.I.C.A. T.E.C., at the request of City and at C.I.C.A. T.E.C.'s expense, shall conduct such testing and analysis as is necessary to ascertain whether C.I.C.A. T.E.C. is using the Demised Premises in compliance with all Environmental Requirements. Any such tests shall be conducted by qualified independent experts chosen by C.I.C.A. T.E.C. and subject to City's reasonable approval. Copies of reports from any such testing shall be provided to City.

Section 18.06 Environmental Noncompliance.

If C.I.C.A. T.E.C. fails to comply with any applicable Environmental Requirements, City, in addition to its rights and remedies provided in Section 11.01 above, may enter the Demised Premises and take necessary measures to insure compliance with Environmental Requirements, all at C.I.C.A. T.E.C.'s expense.

Section 18.07 Duty To Notify City.

In the event of a release or threatened release of Hazardous Materials or Special Wastes to the environment relating to or arising out of C.I.C.A. T.E.C.'s use or occupancy of the Demised Premises or in the event any claim, demand, action or notice is made against C.I.C.A. T.E.C. regarding C.I.C.A. T.E.C's failure or alleged failure to comply with any Environmental Requirements, C.I.C.A. T.E.C. immediately shall notify City in writing and shall provide City with copies of any written claims, demands, notices, or actions so made.

Section 18.08 Environmental Remediation.

The parties acknowledge that preliminary investigation of the Demised Premises indicates the potential presence of Hazardous Materials and Special Wastes and other environmental contaminants on or under the Demised Premises. Upon consultation with the environmental consultant retained by the Construction Manager (as defined in Exhibit B) with respect to the Work prior to the Date of Beneficial Occupancy of the International Terminal or upon consultation with such parties as City may direct after the Date of Beneficial Occupancy of the International Terminal, C.I.C.A. T.E.C. shall undertake such steps to remedy and remove any such Hazardous Materials and Special Wastes and any other environmental contamination as is presently or subsequently discovered on or under the Demised Premises, as are necessary to protect the public health and safety and the environment from actual or potential harm and to bring the Demised Premises into compliance with all Environmental Requirements. Such work shall be performed at C.I.C.A. T.E.C's sole expense after C.I.C.A. T.E.C. submits to City a written plan for completing such work and receives the prior written approval of City, and City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The cost of such review and inspection shall be paid by C.I.C.A. T.E.C. Specific cleanup levels for any environmental remediation work shall be designed to meet applicable requirements under local, state and federal statutes, regulations and guidelines. In the event that City is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Demised Premises, C.I.C.A. T.E.C. shall defend City and indemnify City for any costs, damages or fines that might be found against City.

Section 18.09 Certifications.

In addition to the provisions of Section 18.02, C.I.C.A. T.E.C. agrees to execute, and agrees to cause its Contractors to execute, such certificates as may be necessary to comply with all applicable federal, state and local laws, codes, regulations, ordinances, executive orders, rules and orders. All such certifications shall be attached hereto and incorporated by reference herein as Exhibit F.

(a) Economic Disclosure Statement. C.I.C.A. T.E.C. shall execute, and shall cause its Contractors to execute, an "Economic Disclosure Statement" in the form attached hereto as Exhibit F-1.

(b) Anti-Collusion/State Tax Delinquency. C.I.C.A. T.E.C. shall execute, and shall cause its Contractors to execute, an "Anti-Collusion/State Tax Delinquency Certification" in the form attached hereto as Exhibit F-2, in compliance with Ill. Rev. Stat. 1989, Ch. 38, §§33E-3, 4 and 11(B), as amended and Ill. Rev. Stat., Ch. 24, §11-42.1-1.

(c) Office of Inspector General. C.I.C.A. T.E.C. shall comply and shall cause its Contractors to comply, with all provisions of Chapter 2-56 of the Municipal Code of Chicago.

(d) Anti-Bribery. C.I.C.A. T.E.C. hereby represents and warrants that it is not, and, to the best of C.I.C.A. T.E.C.'s knowledge, its Contractors are not, in violation of the provisions of §2-92-320 of Chapter 2-92 of the Municipal Code of Chicago and the Illinois Municipal Code, Ill. Rev. Stat., Ch. 24, §11-42.1-1 (1989) (1990 Supp.), respectively.

(e) Anti-Scofflaw. C.I.C.A. T.E.C. hereby represents and warrants that it is not, and, to the best of C.I.C.A. T.E.C.'s knowledge its Contractors are not in violation of §2-92-380 of the Municipal Code of Chicago, and further represents and warrants that in the event of any such violation, City shall be entitled to set off a portion from those amounts invoiced by Contractors equal to the amount of any fines or penalties owed to City by any Contractor or Contractors in violation, subject to the exceptions stated in the Municipal Code.

(f) Ethics. C.I.C.A. T.E.C. hereby represents and warrants that it in not, and, to the best of C.I.C.A. T.E.C.'s knowledge its Contractors are not in violation of Ch. 2-1-6 of the Municipal Code of Chicago. Any contract negotiated, entered into or performed in violation of said chapter shall be invalid and without any force whatsoever.

(g) Anti-Aparthied. C.I.C.A. T.E.C. shall comply, and shall cause its Contractors to comply, with Ch. 3-68 of the Municipal Code of Chicago (as applicable) and the regulations issued pursuant thereto subject to any waivers or exceptions which are permissible thereunder. In addition, C.I.C.A. T.E.C. shall execute and shall cause its Contractors to execute an Affidavit in the form attached hereto as Exhibit F-3. C.I.C.A. T.E.C. understands and acknowledges that City may declare a default and terminate all existing contracts with C.I.C.A. T.E.C. if C.I.C.A. T.E.C. violates any provision of Chapter 3-68 of the Municipal Code of Chicago (as applicable), including but not limited to (i) a violation of the certifications contained in the Affidavit; (ii) the concealment of an existing contractual relationship or entering into such contractual relationship with (a) South Africa, (b) a South African business, or (c) any business or corporation for the express purpose of assisting operation in, or trading with any private or public entity located in South Africa; and (iii) the sale to City of goods principally manufactured, produced, assembled, grown or mined in South Africa. This right of termination is supplemental to any other remedy which City may have under this Agreement, at law or in equity, and shall entitle City to direct, indirect, special and consequential damages and any other applicable legal or equitable remedy. Further, C.I.C.A. T.E.C. understands and acknowledges that any person who violates any provisions of Chapter 3-68 of the Municipal Code of Chicago shall be subject to a fine of not less than $500 and not more than $1,000 for each offense. Every day that the violation continues shall constitute a separate and distinct offense. This fine shall be in addition to the remedy to termination enumerated above, and any other remedy available under applicable law.

Article XIX.

Equal Opportunity.

Section 19.01 Nondiscrimination.

(a) C.I.C.A. T.E.C. agrees that in connection with its performance under this Agreement, it shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, creed, color, religion, age, mental or physical handicap unrelated to ability to perform, sex, sexual preference, marital status, ancestry or national origin, nor otherwise commit an unfair employment practice. C.I.C.A. T.E.C. further agrees that it shall take affirmative action to ensure that applicants are employed, and that employees are treated without regard to their race, creed, color, religion, age, mental or physical handicap unrelated to ability to perform, sex, sexual preference, marital status, ancestry or national origin during employment. Such affirmative action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. C.I.C.A. T.E.C. agrees to post, or cause to be posted, in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 19.01(a).

(b) C.I.C.A. T.E.C. agrees that no person shall, on the grounds of race, creed, religious belief, age, sex, sexual preference, marital status, citizenship as applicable, political affiliation, national origin or ancestry, physical or mental handicap unrelated to ability to perform, or unfavorable discharge from military service, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement. In furtherance of the above, C.I.C.A. T.E.C. shall comply with all applicable federal, state and local laws, ordinances, rules and regulations and executive orders including without limitation:

(i) Title VI of the Civil Rights Act of 1964 (42 U. S. C. Section 2000d), and the regulations issued pursuant thereto, which provides that no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation under any program or activity for which City receives federal financial assistance (C.I.C.A. T.E.C. will immediately take any measures necessary to effectuate this assurance);

(ii) Title VII of the Civil Rights Act of 1964 (42 U. S. C. Section 2000e) which prohibits discrimination in employment;

(iii) The Age Discrimination Act, as amended (42 U. S. C. Sections 6101 -- 6106), and the regulations issued pursuant thereto, which provides that no person shall on the basis of age be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with federal financial assistance;

(iv) Section 504 of the Rehabilitation Act of 1973, as amended (29 U. S. C. 793-794), and the regulations issued pursuant thereto, which provides that no otherwise qualified handicapped individual shall be excluded from employment, participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with the federal financial assistance;

(v) Executive Order 11246, as amended by Executive Orders 11375 and 12084, and all regulations issued pursuant thereto, which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of federal or federally assisted contracts (C.I.C.A. T.E.C. shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship);

(vi) The equal opportunity clause and other provisions of 41 C.F.R. Part 60, implementing the above-referenced Executive Orders;

(vii) The provisions of Chapter 29, paragraph 17 of the Illinois Revised Statutes, as amended, prohibiting discrimination in public contract and incorporating the Illinois Human Rights Act, Chapter 68, paragraph 1 et seq. of the Illinois Revised Statutes, as amended; and

(viii) The provisions of the Human Rights Ordinance, Chapter 199 of the Municipal Code of Chicago, as amended.

C.I.C.A. T.E.C. agrees that it will refrain from entering into any agreement subject to Executive Order 11246 with persons debarred from, or who have not demonstrated eligibility for, Federal contracts and federally assisted construction contracts pursuant to the Executive Order.

(c) C.I.C.A. T.E.C. agrees that it shall comply with all Rules and Regulations of F.A.A. Circular No. 150/5100 15A.

Section 19.02 Equal Opportunity.

During the performance of this Agreement, C.I.C.A. T.E.C. agrees as follows:

(a) it shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability to perform, or an unfavorable discharge from military service, and it will examine all job classifications to determine if minority persons or women are underutilized and shall take appropriate affirmative action to rectify any such underutilization;

(b) if it hires additional employees in order to perform under this Agreement or any portion thereof, it shall determine the availability (in accordance with the rules and regulations of the Illinois Department of Human Rights (the "Department")) of minorities and women in the area(s) from which it may reasonably recruit and it shall hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized;

(c) in all solicitations or advertisements for employees placed by it or on its behalf, it shall state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability to perform, or an unfavorable discharge from military service;

(d) it shall send to each labor organization or representative of workers with which it has or is bound by collective bargaining or other agreements or understandings, a notice advising such labor organization or representative of the C.I.C.A. T.E.C.'s obligations under the Illinois Human Rights Act and the Department's rules and regulations and if any such labor organization or representative fails or refuses to cooperate with C.I.C..A. T.E.C. in its efforts to comply with such act and rules and regulations, C.I.C.A. T.E.C. shall promptly so notify City and will recruit employees from other resources when necessary to fulfill its obligations thereunder;

(e) it shall submit reports as required by the Department's rules and regulations, furnish all relevant information as may from time to time be reasonably requested by City, and in all respects comply with the Illinois Human Rights Act and the Department's rules and regulations; and

(f) it shall permit access to all relevant books, records, accounts and the Demised Premises by personnel or authorized representatives of City for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's rules and regulations.

C.I.C.A. T.E.C. acknowledges that in the event of its non-compliance with the provisions of Sections 19.01 and 19.02, the Illinois Human Rights Act, Chapter 68, paragraph 1 et seq. of the Illinois Revised Statutes, as amended, or the rules and regulations of the Department, C.I.C.A. T.E.C. may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations and this Agreement may be cancelled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked, as provided by statute or regulation.

Section 19.03 Minority And Women Business Enterprises; Affirmative Action.

(a) C.I.C.A. T.E.C. shall comply with Exhibit G attached hereto and incorporated by reference herein, relating to certain affirmative action requirements.

(b) C.I.C.A. T.E.C. acknowledges that certain portions of the construction of the Demised Premises and the Consortium Equipment may be funded by

Federal Grants-in-Aid and that such construction is subject to the special conditions regarding Disadvantaged Business Enterprises, implementing Sections 511(a) and 520 of the Airport and Airway Improvement Act of 1982, and Executive Orders 11625, 12138, 12432, and the regulations promulgated pursuant thereto, including without limitation, 49 C.F.R. 23. C.I.C.A. T.E.C. agrees that, in the performance of any Work which may be federally funded it shall abide by the "Special Conditions Regarding Disadvantaged Business Enterprise Commitment", a copy of which will be provided to C.I.C.A. T.E.C. by City.

Section 19.04 Incorporation Of Human Rights Provisions.

C.I.C.A. T.E.C. agrees that the provisions of Sections 19.01, 19.02 and 19.03 will be incorporated in all Contracts entered into with any suppliers of materials, furnishers of services, Contractors and subcontractors, and any labor organizations, which furnish skilled, unskilled and craft union skilled labor, or which may provide any such materials, labor or services in connection with this Agreement.

Section 19.05 Nondiscrimination In Furnishing Services.

C.I.C.A. T.E.C. agrees to furnish Services on a fair and not unjustly discriminatory basis to all Users, and to charge fair, reasonable and not unjustly discriminatory prices for each unit of service; provided, that C.I.C.A. T.E.C. may be allowed to make reasonable and not unjustly discriminatory discounts, rebates or other similar types of price reductions. In no event will the unit prices for services assessed to a Non-Participating Airline for the use of the Consortium Equipment exceed one hundred and fifty percent (150%) of the unit prices assessed to a Participant Airline.

Article XX.

Miscellaneous.

Section 20.01 Successors And Assigns.

Subject to Section 20.02, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

Section 20.02 Sublease And Assignment By C.I.C.A. T.E.C.

C.I.C.A. T.E.C. shall not assign or sublet its rights or responsibilities hereunder without the prior written consent of City.

Section 20.03 Notices.

All notices to City provided herein shall be in writing and shall be sent by registered or certified mail, postage prepaid, addressed to the Commissioner of the Department of Aviation of the City of Chicago, 20 North Clark Street, Chicago, Illinois 60602, or to such other address as City may designate from time to time by notice to C.I.C.A. T.E.C., and except as otherwise provided herein, shall be deemed given when so mailed. All notices to C.I.C.A. T.E.C. provided for herein shall be in writing and shall be sent by registered or certified mail, postage prepaid, addressed to C.I.C.A. Terminal Equipment Corporation, c/o International Terminal Associates, 407 South Dearborn Street, Suite 600, Chicago, Illinois 60605, or to such other address as C.I.C.A. T.E.C. may designate from time to time by notice to City, and except as otherwise provided herein, shall be deemed given when so mailed.

Section 20.04 No Additional Waiver Implied By One Waiver.

In the event any agreement contained in this Agreement is breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder.

Section 20.05 No Remedy Exclusive.

No remedy conferred upon or reserved to City or C.I.C.A. T.E.C. in this Agreement shall be exclusive of any other available remedy, and each such other remedy shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission in exercising any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle City or C.I.C.A. T.E.C. to exercise any remedy it may have under this Agreement, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

Section 20.06 Severability.

If any provision of this Agreement shall be held or deemed to be or shall in fact be operative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule or 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 circumstances, 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 contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

Section 20.07 Enforceability.

Notwithstanding any provisions of this Agreement, this Agreement is for the benefit only of the signatories hereto and may be enforced only by the signatories hereto.

Section 20.08 City Books And Records.

City shall follow such procedures and keep and maintain such books, records and accounts as may be necessary or appropriate under the provisions of this Agreement, the Special Revenue Bond Ordinance or the General Airport Revenue Bond Ordinance. Such books, records and accounts shall contain all items affecting the computation of rentals and other charges hereunder, recorded in accordance with generally accepted accounting principles. City shall retain such books and records for a period of five years from the date of their creation and shall not be liable for any errors in such books and records covering any period prior to or after the period for which it is required to retain such books and records under this Section 20.08.

Section 20.09 Qualification In The State Of Illinois.

C.I.C.A. T.E.C. warrants that it is, and throughout the term of this Agreement it will continue to be duly qualified to do business in the State of Illinois.

Section 20.10 C.I.C.A. T.E.C. To Maintain Its Corporate Existence.

C.I.C.A. T.E.C. shall maintain its corporate existence, shall not dissolve or otherwise dispose of all or substantially all of its assets, and shall not consolidate or merge with another corporation or permit one or more other corporations to consolidate with or merge into it, unless the surviving, resulting or transferee corporation, as the case may be, (a) expressly assumes in writing all of the obligations of C.I.C.A. T.E.C. hereunder, and (b) if such corporation is not organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia, delivers to City an irrevocable consent to service of process and jurisdiction.

Section 20.11 Force Majeure.

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of the Section shall not operate to excuse C.I.C.A. T.E.C. from prompt payment of Consortium Rentals.

In Witness Whereof, City has caused this Agreement to be executed on its behalf by its Mayor, pursuant to due authorization of the City, and its seal to be hereunder affixed and attested by the City Clerk of City, and C.I.C.A. T.E.C. has caused this Agreement to be executed on its behalf by its Authorized Representative.

Attest:	City of Chicago
______________________	By: ______________________
City Clerk	Mayor

Approved:

____
Comptroller

Department of Aviation

By: ______________________
Commissioner

Approved As To Form And Legality:

____
Corporation Counsel

Attest:

____
Secretary

C.I.C.A. Terminal Equipment Corporation

By: ______________________

Title: ______________________

Address: ______________________

[Exhibit "D" attached to this Agreement printed on pages 27785 through 27791 of this Journal.]

Exhibits "A", "B", "C", "E", "F-1", "F-2", "F-3", "G" and "H" attached to this Agreement read as follows:

Exhibit "A".

Consortium Equipment.

Gate Area Equipment:

Passenger Loading Bridges

Preconditioned Air System

Ground Power (400 Hertz) System

Aircraft Docking System (Accupark)

Potable Water System

Glycol System

Triturator/Wash

Baggage Handling System:

Outbound Baggage System

Outbound Odd Size Baggage Conveyor and Lift

Outbound Late Baggage System

Inbound International and Domestic Baggage System

Inbound Odd Size Baggage Conveyor and Lift

Recheck Odd Sized Baggage Lift

Recheck Transfer Baggage System

Other Equipment:

Communications Systems

Battery Chargers

Uninterruptible Power Supply

F.I.S. Bus System

Individual Tenant Improvements

Passenger Screening Devices

Other International Terminal Equipment

Fueling Improvements:

Hydrant Fueling

Exhibit "B".

The Following Procedures Shall Apply During The Planning, Design, Fabrication, Installation, Construction, Start-Up And Testing (Collectively, The "Work") Of The Equipment And Additional Equipment, If Any (Collectively, "C.I.C.A. T.E.C. Equipment"):

Paragraph 1. Responsibilities And Duties Of C.I.C.A. T.E.C.

(a) General Conditions Related to the Work.

(i) C.I.C.A. T.E.C. shall perform the Work, or cause the Work to be performed, on the C.I.C.A. T.E.C. Equipment. C.I.C.A. T.E.C. may award contracts for the Work to be performed, but C.I.C.A. T.E.C. shall remain responsible for the Work. In order to expedite the Work, C.I.C.A. T.E.C. may negotiate as well as competitively bid its contracts.

(ii) Subject to the provisions of this Exhibit B and the Agreement to which it is attached, C.I.C.A. T.E.C. may commence the Work at any time after execution of the Agreement. C.I.C.A. T.E.C. agrees that it will complete the Work, or cause the Work to be completed, with all reasonable diligence. C.I.C.A. T.E.C.'s failure to complete the Work in a timely manner shall not be grounds for any rent abatement under the terms of this Agreement.

(iii) C.I.C.A. T.E.C. shall perform, or cause to be performed, all Work with that degree of skill, care and diligence normally exercised by professionals performing equivalent work in projects of a scope and magnitude comparable to the Project and further in accordance with such O'Hare rules and regulations in existence at the time the Work commences, and such other reasonable construction procedures and standards as may be established or approved by the City. Such procedures and standards will not impose on C.I.C.A. T.E.C. stricter or more rigid procedures or standards than are then being applied to comparable Work at the Airport. Such procedures and standards will be established by the City in a timely manner.

(b) Project Description.

The Project means, collectively, the International Terminal Building and its associated facilities to be built by the City through its C.M., as defined herein, and the C.M.'s Trade Contractors. The purpose of describing the Project into which the C.I.C.A. T.E.C. Equipment will be incorporated is to depict the base structure which the City intends to provide under its contracts with the A./E., as defined herein, and the C.M., and upon which C.I.C.A. T.E.C. will install and construct its C.I.C.A. T.E.C. Equipment. The description of the Project contained herein is intended to be general in nature and should not be construed to be a complete description of the Project.

The Project will include a Federal Inspection Service facility, concession space, offices and support space, associated building utilities, a bus dock, ramp operations systems, and an Automated Guideway Transit ("A.G.T.") station which will provide access to the International Terminal Building. Other work associated with the Project includes existing apron demolition, preparation of the Project site, apron, taxiways/taxilane, trunk storm sewers, the extension of the utility tunnel and piping system to the International Terminal Building, a split-level roadway for access and at-grade parking adjacent to the International Terminal Building. Finally, the Project will incorporate the C.I.C.A. T.E.C. Equipment described in Exhibit A of this Agreement.

C.I.C.A. T.E.C. is further advised that the Project involves multiple prime contractors. In addition to the approximately forty Trade Contracts which will be awarded by the C.M., other work by other contractors may be performed on or near the Project site, including without limitation roadway work that may affect access to the Project site and work on the A.G.T. Documents identifying this Work will be available for review at the C.M. office for use by C.I.C.A. T.E.C. in coordinating its Work. The City or other parties may contract to install or construct, without limitation, F.I.S. equipment and build-out of concession spaces, including completion or extension of mechanical and electrical systems and finishes. C.I.C.A. T.E.C. must also coordinate its Work with the work of these contractors.

Paragraph 2. C.I.C.A. T.E.C. Coordination With City.

(a) C.I.C.A. T.E.C. shall designate a Project Manager who shall manage and coordinate the Work. The City shall direct all communications regarding the Work to the Project Manager.

(b) The Program Management Office ("P.M.O.").

The P.M.O. is a special office created by the City to manage the O'Hare Development Program. For the purposes of this Agreement, the P.M.O., or any successor office, shall represent the City in all matters relating to the performance of the Work hereunder and shall constitute the point of receipt for all communications, unless expressly specified otherwise. In all provisions of this Exhibit B in which the City's written approval or consent is required, such approval or consent must be that of the P.M.O., unless C.I.C.A. T.E.C. is notified in writing by the P.M.O. otherwise. Any approval or consent by the P.M.O. hereunder shall not create any liability on the City, in whole or in part, for the professional or technical accuracy of C.I.C.A. T.E.C.'s Work. The Director of the P.M.O. is the chief executive officer of the P.M.O. and, unless otherwise provided herein, shall be the final arbiter of any decision to be made or consent or approval to be given under this Exhibit B. The P.M.O. shall further assist C.I.C.A. T.E.C. in coordinating C.I.C.A. T.E.C.'s Work with the other work on the Project and with other projects and operations at the Airport, and in C.I.C.A. T.E.C.'s contracts with any federal, state or local government agencies.

(c) Others Involved in the Project.

The City has retained Group One Design (the "A./E.") to prepare contract drawings, plans and specifications for the Project, except for the C.I.C.A. T.E.C. Equipment, which is to be designed by C.I.C.A. T.E.C.

The City has also retained Terminal 5 Venture (the "C.M.") to provide to the City construction service for the Project. The City and C.I.C.A. T.E.C. shall identify to each other any other parties as may be necessary for the coordination of their respective work.

Paragraph 3. Requirement For Work.

(a) Planning, Design and Fabrication Phase.

C.I.C.A. T.E.C. shall submit, or cause to be submitted, at such levels as may be reasonably requested by the P.M.O., proposed drawings, plans and specifications for the C.I.C.A. T.E.C. Equipment for review and comment by the P.M.O. Drawings, plans and specifications, and all amendments thereto, relating to interface points between the C.I.C.A. T.E.C. Equipment and the Project, shall be subject to the approval of the P.M.O., which approval shall not be unreasonably withheld. The P.M.O. will approve, conditionally approve, or disapprove submissions of any such drawings, plans and specifications within fifteen (15) business days, or as mutually agreed to, following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation. If C.I.C.A. T.E.C. intends to adopt fast track construction procedures, C.I.C.A. T.E.C. must still complete each contract package to a reasonable level of detail (including alternate designs selected by C.I.C.A. T.E.C. for major structural, mechanical, electrical and architectural elements) that will provide the P.M.O. adequate information upon which to base its review and approval. C.I.C.A. T.E.C. shall not proceed with construction operations until all necessary approvals have been obtained. In the event C.I.C.A. T.E.C. fails to design, fabricate, install or construct its C.I.C.A. T.E.C. Equipment in accordance with the Project Description, which may be revised from time to time upon notice by the City, subject to the terms and conditions of the International Use Agreements, and without necessity of a written amendment hereto, C.I.C.A. T.E.C. shall be solely liable for any costs incurred in redesigning or implementing change orders to retrofit the C.I.C.A. T.E.C. Equipment to the Project, or to retrofit the Project to the C.I.C.A. T.E.C. Equipment.

(b) C.I.C.A. T.E.C. to Provide Information.

C.I.C.A. T.E.C. shall manage the work of its Contractors and coordinate its Work with the activities of the City, the C.M., the A./E. and others involved in the Project. In order to achieve these ends, C.I.C.A. T.E.C. shall develop, implement and maintain a comprehensive baseline project control system to provide timely and accurate schedules and progress information to the P.M.O.

C.I.C.A. T.E.C. shall include in its project control system, at a minimum, the following elements:

(i) Schedule.

The City will provide C.I.C.A T.E.C. with a copy of the Project Master Schedule ("P.M.S.") upon execution of this Agreement, and any revisions thereto no less than monthly. The objective of the City is to maintain a thirty-seven (37) month schedule from construction start to Substantial Completion of the Project, as defined in the Agreement between the City and its C.M.

Prior to the commencement of its Work, C.I.C.A. T.E.C. shall develop and deliver to the P.M.O. for its review and approval a plan ("Work Plan"), which shall include in detail its proposed schedule, in calendar days, for the completion of the Work on that Consortium Equipment described on Exhibit A, as may be amended, in accordance with the P.M.S. If C.I.C.A. T.E.C.'s proposed Work Plan is unsatisfactory in the opinion of the P.M.O., or if the P.M.O. requests a change in the Work Plan, C.I.C.A. T.E.C. shall, subject to the terms and conditions stated herein, revise all or any portion of the Work Plan. The C.I.C.A. T.E.C. Work Plan shall conform to the P.M.S., the Project Construction Management Plan, and the Project Site Plan prepared by the C.M. and approved by the P.M.O.

C.I.C.A. T.E.C. shall incorporate, integrate and coordinate the schedule information provided by each of its Contractors into the Work Plan to ensure that established milestone dates can and will be met. C.I.C.A. T.E.C. shall cause its Contractors' schedules to conform to those requirements set forth in the P.M.S. and the Project Procedures Manual prepared by the C.M. and approved by the P.M.O. Accordingly, C.I.C.A. T.E.C. shall expand its schedule in the Work Plan previously provided by detailing each Work section and system-wide element and by providing the P.M.O. with critical path and summary level schedules for each phase of its Work, in a form and content acceptable to the P.M.O. C.I.C.A. T.E.C. shall, thereafter, update no less than monthly its Work Plan, develop recovery plans when necessary, and provide status reports thereon to the P.M.O. no less than monthly, or more often as may be requested by the P.M.O.

C.I.C.A. T.E.C. shall not proceed to implement its Work Plan until approved by the P.M.O., or if conditionally approved, until it complies with such conditions. C.I.C.A. T.E.C. shall not revise the approved Work Plan without the prior written consent of the P.M.O. The P.M.O. shall advise C.I.C.A. T.E.C. before making any changes in the P.M.S. which would affect the C.I.C.A. T.E.C. Work Plan.

The P.M.O. shall further advise C.I.C.A. T.E.C. regarding any conflict between the C.I.C.A. T.E.C. Work Plan and the P.M.S. Such conflicts, including without limitation schedules, interfaces, and durations, shall be referred first to a Joint Steering Committee ("J.S.C."), comprised of Project staff designated by the P.M.O. and C.I.C.A. T.E.C. The J.S.C. shall consist of five members, three from the City and two from C.I.C.A. T.E.C., who shall be mutually acceptable to the P.M.O. and C.I.C.A. T.E.C.

The J.S.C. shall employ a cost and schedule value engineering methodology in resolving these conflicts, with the objective of achieving a solution having the least impact on the Project and the Work overall. The J.S.C. shall consider any and all reasonable options, including acceleration, suspension or work sequence changes for either or both the City and C.I.C.A. T.E.C. contractors. In resolving the conflict, the J.S.C. shall be permitted to rely upon any information or assistance as it may deem reasonable, necessary or desirable, including without limitation options proposed by the City or C.I.C.A. T.E.C. or their respective contractors.

The J.S.C. shall meet as often as necessary in order to resolve such conflicts, but in no event less than monthly. The J.S.C. shall render a decision regarding a specific conflict within fifteen (15) business days after receipt of a notice from either the City or C.I.C.A. T.E.C. to the J.S.C. of a conflict, unless the time is extended by the P.M.O. and C.I.C.A. T.E.C.

In the event the J.S.C. is unable to reach a decision within the approved time limits, the J.S.C. shall submit the conflict to a Disputes Resolution Board ("D.R.B."). The D.R.B. shall consist of three members: the Commissioner of the Department of Aviation, who shall act as the D.R.B. Chairman; the Commissioner of the Department of Public Works; and the Chairperson of C.I.C.A. T.E.C.

The D.R.B. shall render a decision within fifteen (15) business days after receipt of a notice from the J.S.C. of the conflict. The D.R.B. may rely upon any information or assistance as it may deem reasonably necessary, or desirable, but shall give first consideration to the record developed by the J.S.C.

Notices of conflict to either the J.S.C. or the D.R.B. must be in writing. J.S.C. or D.R.B. decisions, or the inability of the J.S.C. to reach a decision, shall also be in writing. Written notices required under this provision shall be provided, in accordance with the following: notices of conflict may be prepared by either C.I.C.A. T.E.C. or the P.M.O., and shall be provided, as applicable, to Joint Steering Committee, c/o Director, Program Management Office, 20 North Clark Street, Suite 3200, Chicago, Illinois 60602; or Dispute Resolution Board, c/o Commissioner, Department of Aviation, 20 North Clark Street, Suite 3000, Chicago, Illinois 60602, and to the party not preparing the Notice of Conflict. Decisions shall be provided to Director, Program Management Office, 20 North Clark Street, Suite 3200, Chicago, Illinois 60602; and to C.I.C.A. T.E.C.; and, when rendered by the D.R.B., to the Joint Steering Committee.

Copies of all notices may be delivered personally or sent by registered or certified mail, postage prepaid, to the addresses stated above, or to such other addresses as the parties may designate from time to time by written notice without need of amendment hereto. Notices shall be deemed given when so delivered or sent.

Decisions of both the J.S.C. and D.R.B. must be achieved by a majority vote of its members. The P.M.O. and C.I.C.A. T.E.C. shall comply with any decision reached in accordance with this provision; provided, however, that any decision requiring a cost increase to a City Trade Contractor, including without limitation acceleration or suspension, shall be subject to the condition that the City is permitted to add such cost increase to its Budget under Exhibit E of the International Use Agreements in accordance with Article VII thereof. In the event the City is not so permitted, the P.M.O. shall have the sole discretion to direct C.I.C.A. T.E.C. to revise its Work Plan as the P.M.O. may deem necessary with respect to the specific conflict.

(ii) Project Control.

C.I.C.A. T.E.C. shall also address, at a minimum, in its Work Plan the following issues: coordination of Project site management interfaces and responsibilities; coordination of multiple concurrent and adjacent contractors; and controls for monitoring contract sequencing and compliance with contract requirements.

C.I.C.A. T.E.C. shall prepare and deliver to the P.M.O. for its review and approval a site specific plan for each contract no less than sixty (60) days prior to the scheduled issuance of the C.I.C.A. T.E.C. Notice-To-Proceed for the contract to which the plan relates. As part of its site specific plans, C.I.C.A. T.E.C. will determine the areas available for use by its Contractors during Work on specific items. The site specific plans will include but not be limited to identification of Work site locations including limit lines, on-site storage and office areas; proposed temporary alterations or detours intended to maintain public access and support services to, from, through or past operating facilities at the Airport; adequate ingress/egress of construction equipment, material and personnel, including haul roads; adequate construction easements, if any; adequate Contractor lay down staging areas; and material disposal plans, including salvage materials.

(iii) Project Costs.

C.I.C.A. T.E.C. shall provide the P.M.O., on a regular basis with initial and updated cost estimates, individually and aggregated, for the C.I.C.A. T.E.C. Equipment.

(c) Installation and Construction.

(i) C.I.C.A. T.E.C. shall provide prior written notice to the P.M.O. of any proposed change in the Work Plan. Such notice shall describe and document the change and its potential impact. No such proposed change shall be implemented by C.I.C.A. T.E.C. without the prior approval of the P.M.O. The P.M.O. will approve, conditionally approve or disapprove submissions of requests for changes within fifteen (15) business days following receipt thereof. Any conditional approval or disappproval shall be accompanied by an explanation.

(ii) The P.M.O. shall have the right to monitor theWork on the C.I.C.A. T.E.C. Equipment to assure that the components which comprise the C.I.C.A. T.E.C. Equipment are installed and constructed in conformity with the approved drawings, plans and specifications, and in accordance with the applicable standards therefor. In order to assist the P.M.O. in monitoring the installation and construction of the C.I.C.A. T.E.C. Equipment, the Project Manager shall submit, or cause to be submitted, to the P.M.O. copies of all surveys, soil borings, and field test reports; contracts for services, labor and materials; material certificates and samples; approved shop drawings; progress reports; and any other documents related to the C.I.C.A. T.E.C. Equipment which may be reasonably requested by the City.

(iii) In the event the P.M.O. determines that the Work is at material variance from the approved drawings, plans, and specifications or standards, or that it may create a need for retrofitting, C.I.C.A. T.E.C. shall expeditiously resolve such variance. C.I.C.A. T.E.C. shall advise the P.M.O. in writing of its intended resolution within three (3) business days following notification of such variance.

Until it has been determined by the P.M.O. that the Work has been performed or re-performed without material variance from the approved drawings, plans and specifications, or standards, or that it will not create a need for retrofitting, the P.M.O. may, by written notice to C.I.C.A. T.E.C. suggest to C.I.C.A. T.E.C. that it withhold payments from any Contractor which has performed, in the judgment of the P.M.O., Work which is at material variance from the approved drawings, plans and specifications, or standards, or creates a need for retrofitting; or suggest to C.I.C.A. T.E.C. that it stop Work on any portion of the C.I.C.A. T.E.C. Equipment directly affected by such variance from the approved drawings, plans, specifications, or standards, or by the possibility of retrofitting. If C.I.C.A. T.E.C.'s response is unacceptable in the reasonable opinion of the P.M.O., or if the value of the defective or deficient Work exceeds the amount of remaining retention, the P.M.O. shall have the right to withhold compensation from C.I.C.A. T.E.C. and to direct C.I.C.A. T.E.C. to stop any other Work on any portion of the C.I.C.A. T.E.C. Equipment that is at material variance with the approved drawings, plans, and specifications, or standards, or which creates a need for retrofitting, until the affected Work is corrected or replaced.

Any Work which is at material variance from the approved drawings, plans, and specifications, or standards, or which requires retrofitting shall be corrected, replaced or retrofitted by C.I.C.A. T.E.C., directly or through its Contractors. If such Work if not corrected, replaced, or retrofitted by C.I.C.A. T.E.C. or its Contractors within thirty (30) days following notice from the P.M.O. to C.I.C.A. T.E.C., the P.M.O. may cause such Work to be corrected, replaced, or retrofitted with its own forces or otherwise, at the expense of C.I.C.A. T.E.C. , provided that in the event such Work cannot be corrected, replaced, or retrofitted within said thirty (30) day period, C.I.C.A. T.E.C. shall be afforded such additional time as the P.M.O. may determine to be reasonably necessary to correct, replace, or retrofit such Work.

(d) Start-Up and Testing.

(i) C.I.C.A. T.E.C. shall perform the initial start-up and operational tests of the individual components. Such tests shall be designed to demonstrate that each component as installed, meets the specified performance requirements. C.I.C.A. T.E.C. shall monitor and control the testing in order to identify problems; verify the operational safety of the utilities, equipment, and operations systems; and arrange for the correction of any defects or deficiencies in workmanship, materials, or equipment.

C.I.C.A. T.E.C. shall give the P.M.O. seven days advance written notice of any test, including a copy of the test procedures and acceptance criteria. The tests may be witnessed by the City, the C.M., the A./E. and such other parties as may be designated by the P.M.O.

(ii) C.I.C.A. T.E.C. shall enforce warranties and appropriate back charges in the event of premature utilities, equipment or operations systems failures or other noncompliances, or assign such right to the City.

(iii) C.I.C.A. T.E.C. shall, if requested, provide appropriate training in the operation and maintenance of the C.I.C.A. T.E.C. Equipment for designated personnel from the City.

(e) Contract Close-Out.

(i) C.I.C.A. T.E.C. shall prepare and deliver to the P.M.O. for its review and approval no less than thirty (30) days prior to the date each contract is to be closed out, an analysis of close-out requirements, conditions and items. C.I.C.A. T.E.C. shall address, at a minimum, the following elements in its analysis:

-- As-built drawings.

C.I.C.A. T.E.C. shall monitor the progress of its Contractors to ensure that its Contractors maintain on a current basis a complete set of drawings marked with as-built details. C.I.C.A. T.E.C. shall review all such as-built drawings for completeness and accuracy. C.I.C.A. T.E.C. shall secure and maintain a complete record of such as-built drawings for turnover to the City in permanent record form upon the close-out of each Contract.

-- Substantial Completion of Work.

C.I.C.A. T.E.C. shall determine the Substantial Completion of the Work for each component of the C.I.C.A. T.E.C. Equipment and shall prepare a corresponding punch list. C.I.C.A. T.E.C. shall monitor the Work to ensure that all punch list items have been satisfactorily completed and up-date the punch list accordingly.

-- Notice of Completion of Work and Acceptance.

C.I.C.A. T.E.C. shall notify the P.M.O. in writing when, in C.I.C.A. T.E.C.'s determination, the Work on each component of the C.I.C.A. T.E.C. Equipment is complete and is ready for acceptance.

-- Lien Waivers.

C.I.C.A. T.E.C. shall collect, log, review for accuracy, and maintain for turnover to the P.M.O. any and all releases and lien waivers from its Contractors. C.I.C.A. T.E.C. shall further collect and maintain for turnover to the P.M.O. appropriate evidence that there are no liens or claims or stop notices filed or outstanding against the City or C.I.C.A. T.E.C. in connection with each Contract to be closed out.

-- Submittal of Documents, Operations and Maintenance (O. & M.) Manuals, and Warranties.

C.I.C.A. T.E.C. shall collect and maintain for turnover to the P.M.O. copies of all documents, O. & M. manuals and warranties required under each contract. C.I.C.A. T.E.C. shall review all such material for contract compliance. C.I.C.A. T.E.C. shall further ensure that each O. & M. Manual provides a detailed description of and procedures for the proper operation and intended functions of the related systems and/or equipment and that maintenance manuals describe in detail the required routine and preventive maintenance operations and the procedures for performing such tasks.

-- Final Payment and Retention Release.

C.I.C.A. T.E.C. shall prepare a final progress payment report and retention release for each Contractor to be submitted with the relating Notice of Completion.

(ii) Turnover of Completed Work.

C.I.C.A. T.E.C. shall cause each Contractor to remove any temporary security barriers or other temporary structures if erected solely in connection with its Work, after such Contractor has been deemed to have completed its Work, but prior to turnover. C.I.C.A. T.E.C. shall be responsible for the protection of all Work, finished or unfinished, until the "Completion of Work" in accordance with this Exhibit B.

(iii) Final Submissions.

Upon completion of the Work as defined in this Exhibit B, C.I.C.A. T.E.C. shall transfer, or shall have already transferred, to the P.M.O. all Project-related documents required hereunder.

(f) Completion of C.I.C.A. T.E.C. Work.

C.I.C.A. T.E.C.'s Work under this Exhibit B shall be deemed complete as to the C.I.C.A. T.E.C. Equipment on the last date on which all of the following events have occurred: C.I.C.A. T.E.C.'s certification of the completion of its Work in accordance with approved contract drawings, plans and specifications; final inspections, punch list completion, and operations systems and equipment testing; acceptance of the Work by C.I.C.A. T.E.C. and the City; and close-out of the relating Contracts. It is the City's objective that the Project, including the C.I.C.A. T.E.C. Equipment, required as of the Date of Beneficial Occupancy, be closed out within six months of the Date of Beneficial Occupancy, as defined in the International Use Agreements.

Paragraph 4. Special Conditions Related To The Work.

(a) Time is of the Essence.

Time is of the essence in the completion of the Project. C.I.C.A. T.E.C. shall commence its Work immediately upon written notice by the P.M.O. and will diligently prosecute such to completion. C.I.C.A. T.E.C. shall complete the Work in accordance with the Work Plan approved by the P.M.O.

(b) No Damages for Delay.

Except as expressly provided herein, C.I.C.A. T.E.C. agrees that no claims for damages or charges for additional costs or fees shall be made by it for costs incurred by reason of delays, disruptions or hindrances in its Work.

C.I.C.A. T.E.C. further agrees that it shall cause each of its Contractors to agree that claims for damages or charges for additional costs or fees shall not be made against the City or C.I.C.A. T.E.C., respectively, by such Contractor, absent bad faith, fraud, or direct tortious interference by the City or C.I.C.A. T.E.C., respectively, for costs incurred by reason of delays, disruptions, or hindrances in performance of the Work. In the event that any Contractor's performance is delayed by causes beyond the reasonable control of such Contractor or C.I.C.A. T.E.C., respectively, such that a time extension should be granted under the "No Damages for Delay and Extension of Time" provision in the Contract, and such time extension would change the Work

Plan, such extension shall be governed by the provisions of Section 3(b)(i) of this Exhibit B. The P.M.O.'s permitting C.I.C.A. T.E.C. and any of its Contractors to proceed with its Work, or any part thereof, after such extension shall in no way operate as a waiver of any other rights on the part of the City. C.I.C.A. T.E.C. shall further include in its Contracts those provisions referred to as "access and coordination" and "No Damages for Delay and Extension of Time" provisions, copies of which have been provided by the City to C.I.C.A. T.E.C., and C.I.C.A. T.E.C. shall otherwise cause its Contractors to settle for and between or among themselves any claims or disputes arising from or caused by such delays, disruptions, or hindrances, without recourse against C.I.C.A. T.E.C. or the City, their respective officials, employees and agents.

(c) Performance Bonds.

C.I.C.A. T.E.C. shall require each of its Contractors to post a bond in the full value of the Work to be performed under its contract, unless specifically waived by the P.M.O. and the Purchasing Agent for the City. Such bonds shall comply with the provisions of Ill. Rev. Stat., Chapter 29, paragraph 15, as amended, and of Chapter 26, Section 26-3 of the Municipal Code of Chicago, as amended. The bond must further be acceptable in form and content to the City's legal counsel. The surety issuing such bond must be acceptable to the City's Risk Manager. The City shall be named as Project owner and co-obligee on all such bonds.

Paragraph 5. Compensation To The City.

(a) The City.

(i) The P.M.O. shall be entitled to compensation for the cost of those services provided by the P.M.O. in connection with the Work. The P.M.O. agrees to use its best efforts to keep its costs as low as reasonably practicable. The aggregate amount of reimbursement to the P.M.O. hereunder, based upon the various estimated completion dates for the various components of the C.I.C.A. T.E.C. Equipment, is currently estimated to be $925,000.00. The P.M.O. shall be entitled to an equitable adjustment of such amount as a result of any changes in completion dates for various components of the C.I.C.A. T.E.C. Equipment; or for increases in the P.M.O.'s services as a result of any changes in the scope of Work or in the C.I.C.A. T.E.C. Equipment; or in the event the City is assigned C.I.C.A. T.E.C.'s contracts; or upon the mutual consent of the Commissioner and the Chairperson of C.I.C.A. T.E.C., such consent to be issued in writing without necessity of an amendment hereto.

(ii) In November or December of each year during the continuation of the Work, the P.M.O. shall provide C.I.C.A. T.E.C. with an estimate of the P.M.O.'s required manhours and budgets by month, with regard to its services for the next calendar year. Thereafter, on a semi-annual basis, the P.M.O. shall provide C.I.C.A. T.E.C. with a detailed review and analysis of actual manhours and expenditures against estimates, including reallocation of budgets, if required, with regard to its services. More frequent reviews will be provided upon C.I.C.A. T.E.C.'s reasonable request therefor.

(iii) The P.M.O. shall provide C.I.C.A. T.E.C. with copies of its monthly invoices to the Construction Fund, describing time charges for the P.M.O. staff assigned to the C.I.C.A. T.E.C. Equipment and any other costs associated with the services provided by the City. C.I.C.A. T.E.C. may, within ten (10) days of such provision, request a meeting with the P.M.O. to review and discuss such invoices. The P.M.O. shall hold such meeting or provide C.I.C.A. T.E.C. with a reasonable opportunity for such a meeting, and give due consideration to C.I.C.A. T.E.C.'s concerns and recommendations regarding such invoices. C.I.C.A. T.E.C. may further request the City, at C.I.C.A. T.E.C.'s expense, to review and audit P.M.O. invoices related to the C.I.C.A. T.E.C. Equipment at any time. C.I.C.A. T.E.C. shall, upon reasonable request therefor, receive copies of all such audits performed by the City and may interview the personnel who performed such audits.

(b) C.I.C.A. T.E.C.

(i) Costs to be paid by C.I.C.A. T.E.C. by reason of or in connection with the Work hereunder shall be deemed to be Project Costs, payable from the Deposited Amount, provided such costs are eligible for payment under the I.T. Agreement. In the event any amount due does not qualify as an eligible Project Costs, C.I.C.A. T.E.C. shall be liable for the balance. C.I.C.A. T.E.C. shall receive in accordance with the method set forth herein all Project Costs for which it is obligated by reason of or in connection with the Work to be performed under this Exhibit B. In the event C.I.C.A. T.E.C. assigns its contracts to the City, the City shall be entitled to all funds which C.I.C.A. T.E.C. would have received in addition to the equitable adjustment described in paragraph 5(a)(i) above. Such adjustment shall be made without the requirement of further action or amendment to this Agreement.

(ii) C.I.C.A. T.E.C. shall submit a request for payment of Contractors to the P.M.O. in such form and content as may be reasonably requested by the P.M.O., including without limitation the certificate described herein. Such request shall be certified in writing by the C.I.C.A. T.E.C. Chairman or by an authorized representative. The City shall, after review and approval, submit to the Construction Fund directions for payment for Work. With respect to any such requests for payment for Work, C.I.C.A. T.E.C. shall also submit partial or complete lien waivers, as appropriate, executed by Contractors. Each request by C.I.C.A. T.E.C. for payment shall set forth the following:

-- the name of the person, firm, or corporation to whom the payment should be sent;

-- the respective amount to be paid;

-- the purpose, by general classification, for which payment is to be made;

-- insofar as such payment obligation was incurred for Work, a certification that such Work was actually performed, and the request for payment is in accordance with the payment terms for such Work;

-- a certification that such costs are presently due and payable and each item thereof is a proper charge against the Construction Fund and has not been included in any prior request for payment which has been paid; and

-- each requisition will be consecutively numbered and accompanied by copies of appropriate documentation supporting the payments or reimbursements requested.

Notwithstanding the foregoing, such certificate by C.I.C.A. T.E.C. may state that it is given without prejudice to any rights which C.I.C.A. T.E.C. may have at the date of such certificate or may have in the future against any Contractor.

(iii) C.I.C.A. T.E.C. covenants that the proceeds disbursed to its Contractors hereunder from the Construction Fund shall be applied solely to the purpose described in request for disbursement.

(c) Retainage.

C.I.C.A. T.E.C. shall deduct as retention from its invoiced amounts, ten percent (10%) of the amount invoiced for each Contractor, until a total of fifty percent (50%) of the amount due under each Contract has been paid out, with a reduction to two percent (2%) upon the completion of the respective Work by each Contractor. All such retainage shall be released to each Contractor upon Contract Closeout in accordance with this Exhibit B.

Paragraph 6. Access To Work Site.

C.I.C.A. T.E.C., and its architects, engineers, materialmen, and Contractors of any tier, shall have, at their own risk, full and complete access to the Demised Premises and such other areas in the Airport, as may be necessary to perform Work on the C.I.C.A. T.E.C. Equipment, subject to the conditions stated in this Agreement and any other conditions the P.M.O. may reasonably impose in writing, and provided that such access shall not unreasonably interfere with the other work on the Project or other projects or operations at the Airport. The P.M.O. shall have authority to arrange, and shall arrange such access in a timely fashion. It is C.I.C.A. T.E.C.'s responsibility to coordinate its Work with the other work on the Project and with other projects and operations at the Airport. C.I.C.A. T.E.C. is solely responsible for any costs relating to such coordination.

Paragraph 7. No Warranty By City.

C.I.C.A. T.E.C. acknowledges that, except only for those representations expressly contained in this Agreement, no representation, statement or promise, oral or in writing, of any kind whatsoever, by the City, its officials, agents, or employees, is made regarding the nature, existence or location of materials, structures, obstructions, utilities or conditions, surface, subsurface or environmental, which may be encountered at the Project Site or such other areas, or shown on the drawings, plans and specifications provided or to be provided by the City in connection with the Project.

Paragraph 8. Events Of Default, Remedies, Right To Offset.

In addition to those provisions in Article XI of this Agreement, the following shall apply to C.I.C.A. T.E.C. during the performance of any Work:

(a) Events of Default Defined.

C.I.C.A. T.E.C.'s failure to perform any of its obligations under this Exhibit B including, but not limited to, the following: (i) failure to commence its Work, or cause its Work to be commenced, at the time(s) specified due to a reason or circumstance within C.I.C.A. T.E.C.'s reasonable control; (ii) failure to perform its Work, or cause its Work to be performed, with sufficient personnel and equipment or with sufficient material to ensure the completion of the Work within the specified time due to a reason or circumstance within C.I.C.A. T.E.C.'s reasonable control; (iii) failure to re-perform or to cause to be re-performed, within a reasonable time Work that was rejected as erroneous or unsatisfactory; (iv) discontinuance of Work for reasons not beyond C.I.C.A. T.E.C.'s reasonable control; and (v) any other acts specifically and expressly stated in this Exhibit B as constituting an event of default.

(b) Remedies.

The Commissioner shall have authority to declare C.I.C.A. T.E.C. in default for any event of default stated in Section 8(a) after the P.M.O. has (i) sent written notice to C.I.C.A. T.E.C. that it is in default, stating the basis for the default and providing thirty calendar days to cure the default, a copy of which notice shall be sent to the Commissioner and (ii) advised the Commissioner in writing that C.I.C.A. T.E.C. has not cured the default within the thirty calendar days required by the notice, or, if such event of default cannot be reasonably cured within such thirty calendar days, C.I.C.A. T.E.C. has failed, in the sole opinion of the P.M.O., to commence and continue, or to cause to be commenced and continued, diligent efforts to cure. The Commissioner shall advise C.I.C.A. T.E.C. of the default in writing and such decision shall be final and effective upon C.I.C.A. T.E.C.'s receipt of such written notification of the default. Any intention of the P.M.O. pursue any remedy or remedies hereunder shall be included in the notice to C.I.C.A. T.E.C. Notices shall be sent in accordance with Section 20.03 of this Agreement. Upon the giving of such notice, the P.M.O. may invoke any or all of the following remedies:

(i) The right to take over and complete the Work or any part thereof as agent for C.I.C.A. T.E.C., either directly or through consultants.

(ii) The right of specific performance, an injunction or any other appropriate equitable remedy.

(iii) The right to withhold all or any part of C.I.C.A. T.E.C.'s payments hereunder.

(iv) The right to issue a "Stop-Work Order" to C.I.C.A. T.E.C. effective ten (10) days after the date of receipt of such notice. C.I.C.A. T.E.C. shall restrict its activities, and those of its Contractors, to winding down and demobilization during this ten (10) day period. No costs relating to any Work so terminated incurred after the effective date of such termination shall be allowed. Payment for any Work performed before the effective date of such termination shall be based upon a proration of the compensation set forth in this Exhibit B or set forth in the Contracts for Work actually and satisfactorily performed, or caused to be performed, by C.I.C.A. T.E.C. prior to the effective date of termination. Such amount shall be mutually agreed upon by the City and C.I.C.A. T.E.C. Such payment so made to C.I.C.A. T.E.C. shall be in full settlement for all Work satisfactorily performed under this Exhibit B.

(c) Right to Offset.

Any costs incurred by the City in the event of termination pursuant to this Exhibit B, or in the event the City exercises any of the remedies available to it under this Exhibit B, shall be offset first by use of any retained percentage of payment due for Work completed prior to such termination or the exercise of any remedies. Costs necessary for the completion of the Work shall have first priority in the use of any retainage under this provision. If such retainage is insufficient to cover all costs incurred by the City, the balance shall be deemed a Project Cost payable to the

City. In the event any balance due does not qualify as an eligible Project Cost, C.I.C.A. T.E.C. shall promptly remit to the City the balance upon written demand therefor.

Exhibit "C".

Easements.

[This Exhibit "C" shall be added at the time of execution of this Agreement, in such form as shall be agreed upon by C.I.C.A. T.E.C. and the Commissioner.]

Exhibit "E".

I.T. Participating Airlines.

[This Exhibit "E" shall be completed at the time of execution of the Members' Agreement.]

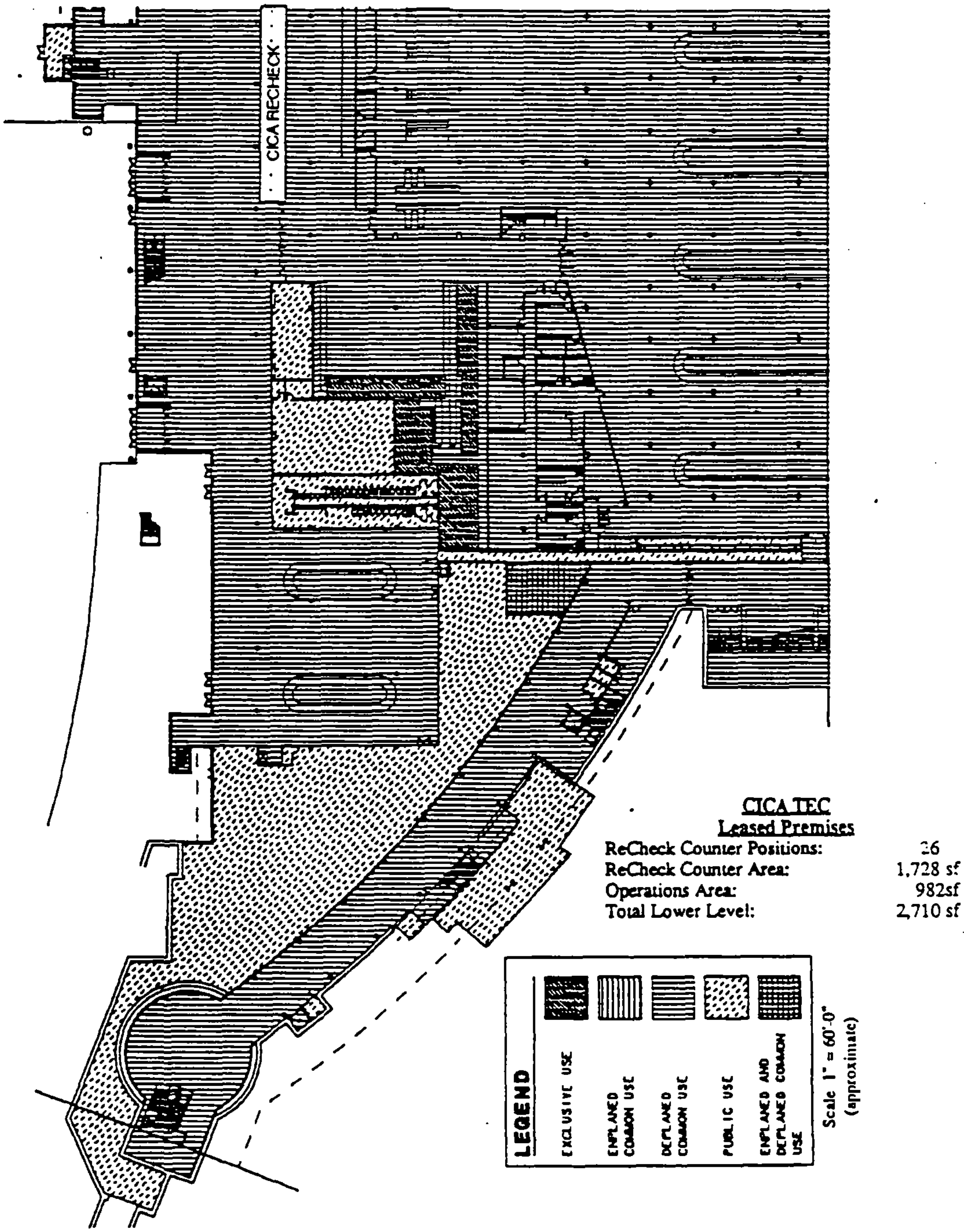
Exhibit "F".

Economic Disclosure Statement.

Applicant: C.I.C.A. Terminal Equipment Corporation.

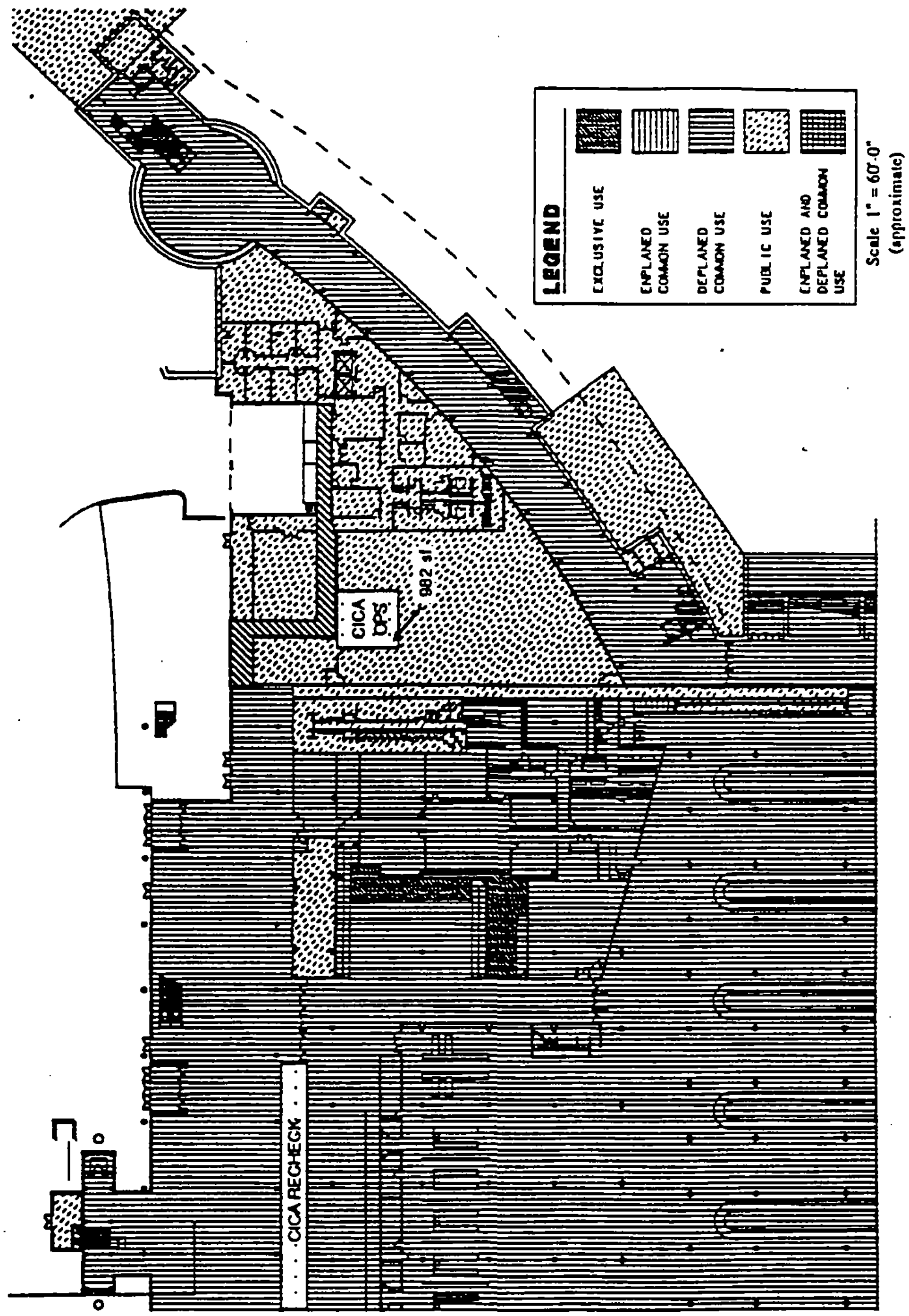
(Continued on page 27792)

EXHIBIT D
(Page 1 of 7)



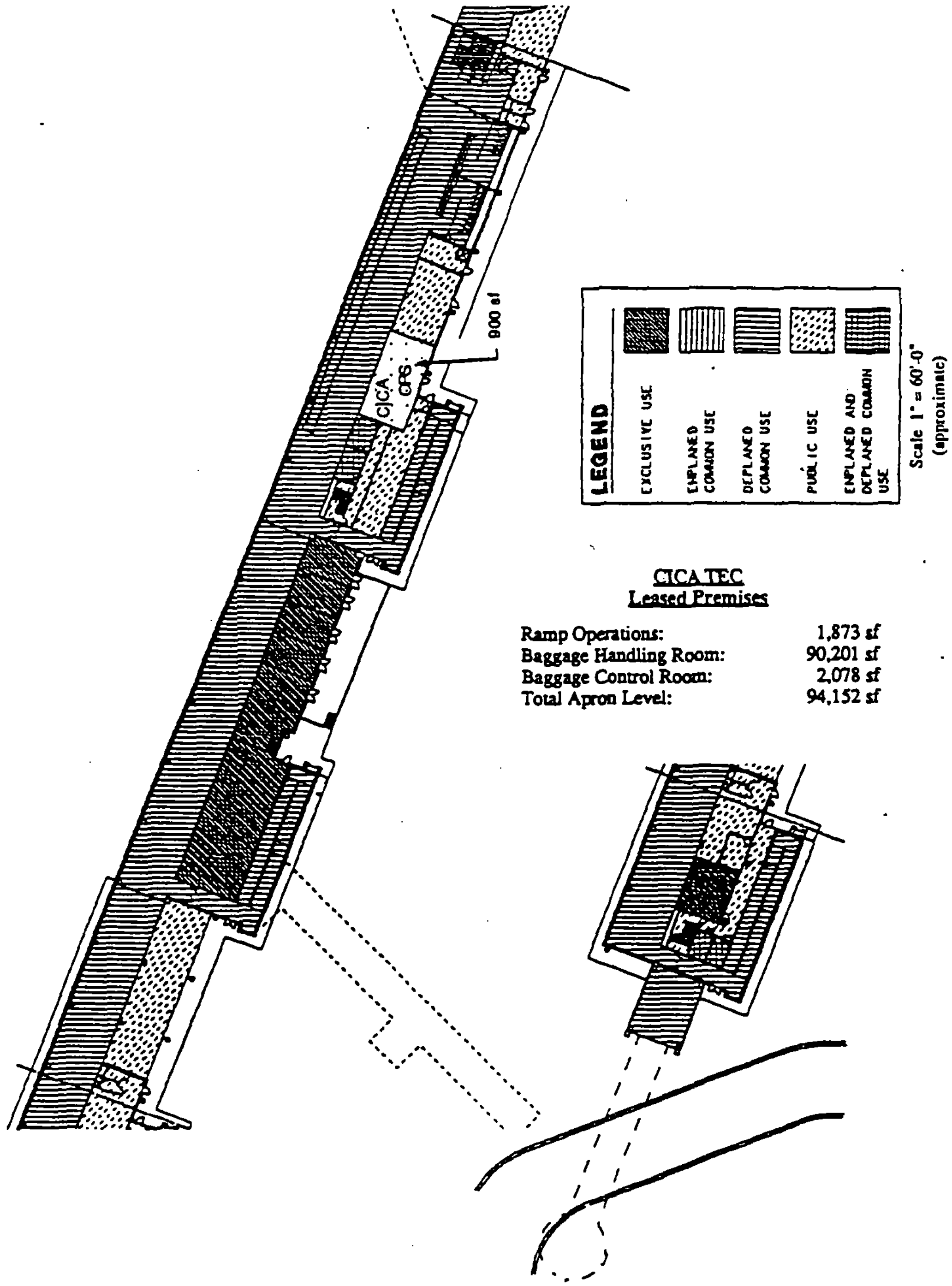
Lower Level

EXHIBIT D
(Page 2 of 7)



Lower Level

EXHIBIT D
(Page 3 of 7)

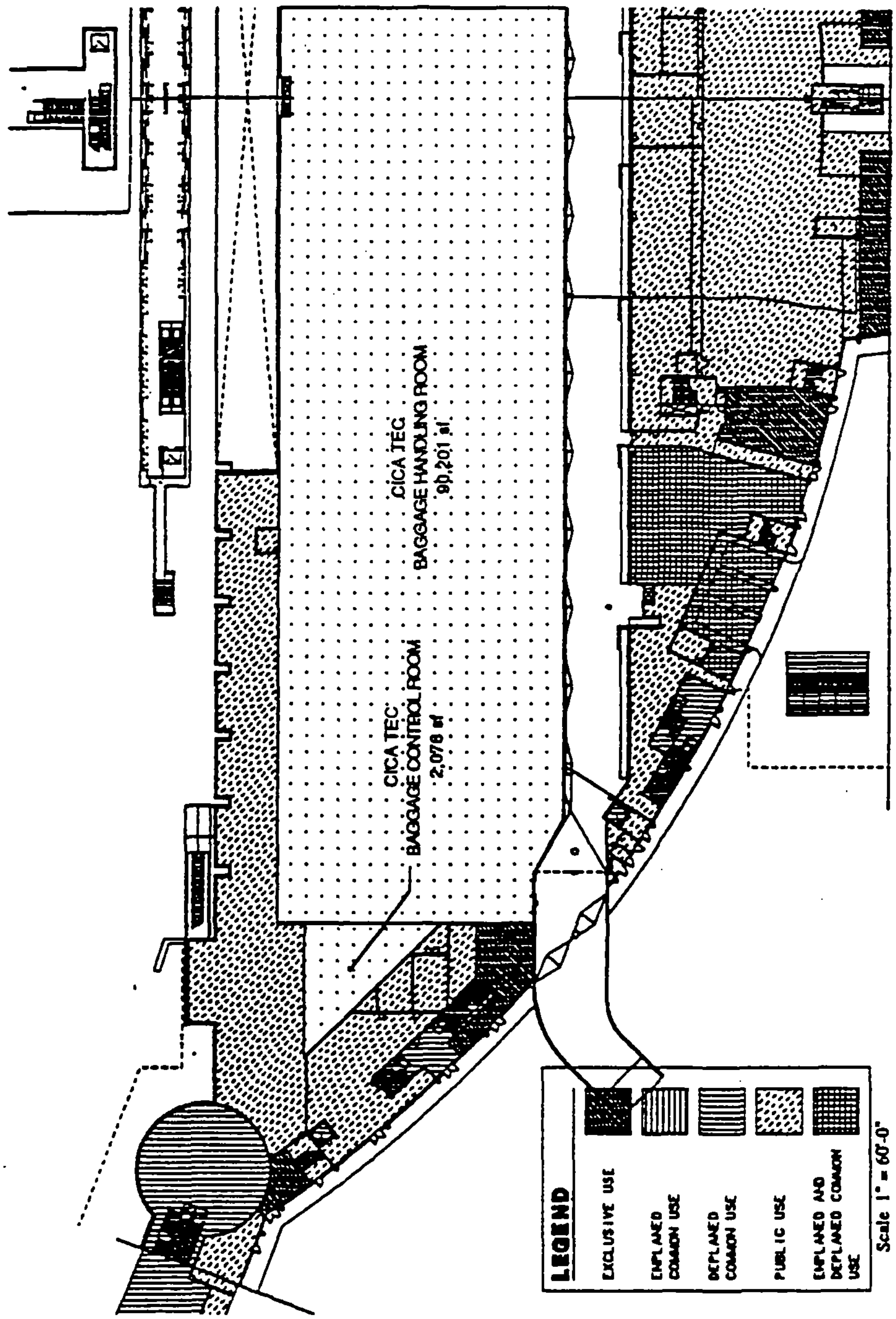


CICA TEC
Leased Premises

Ramp Operations:	1,873 sf
Baggage Handling Room:	90,201 sf
Baggage Control Room:	2,078 sf
Total Apron Level:	94,152 sf

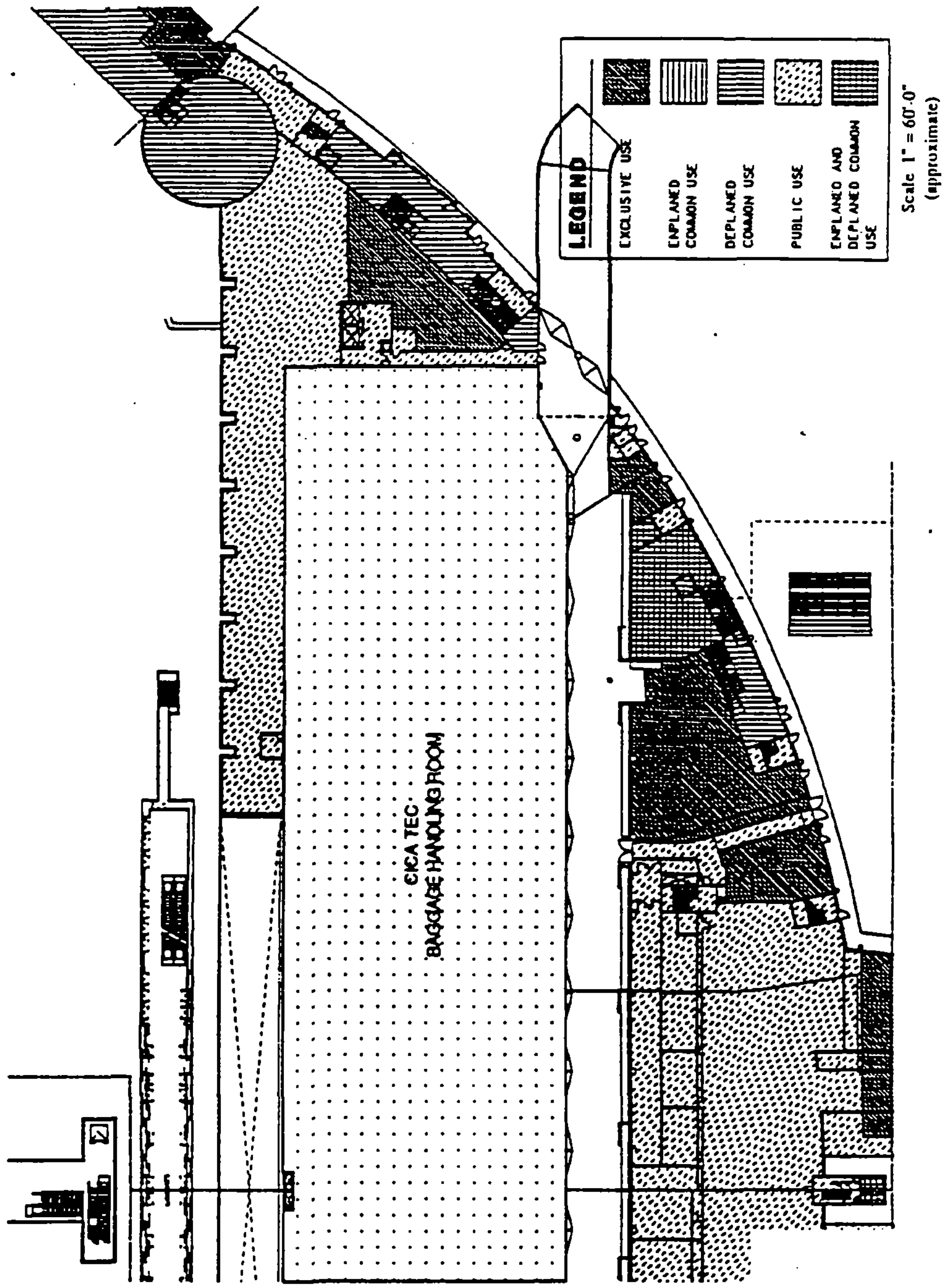
Apron Level

EXHIBIT D
(Page 4 of 7)



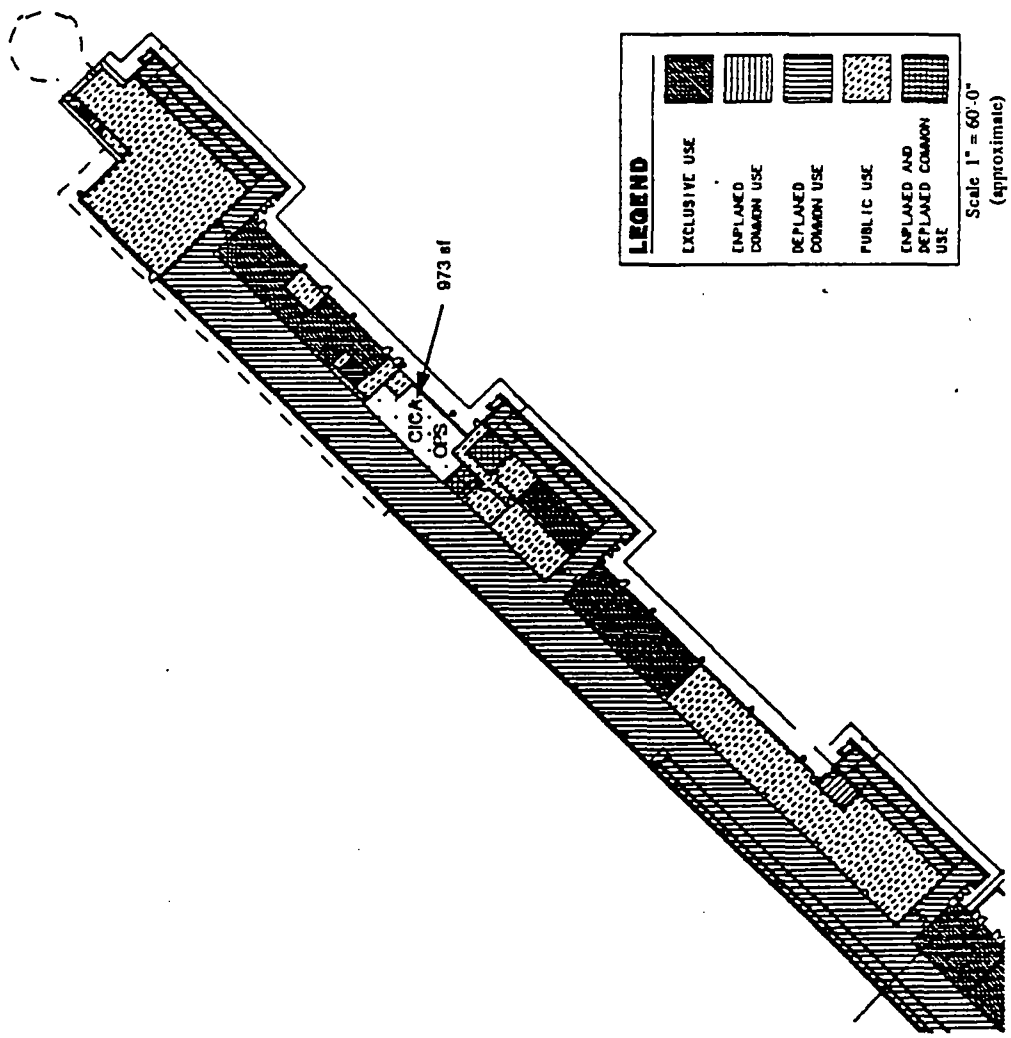
Apron Level

EXHIBIT D
(Page 5 of 7)



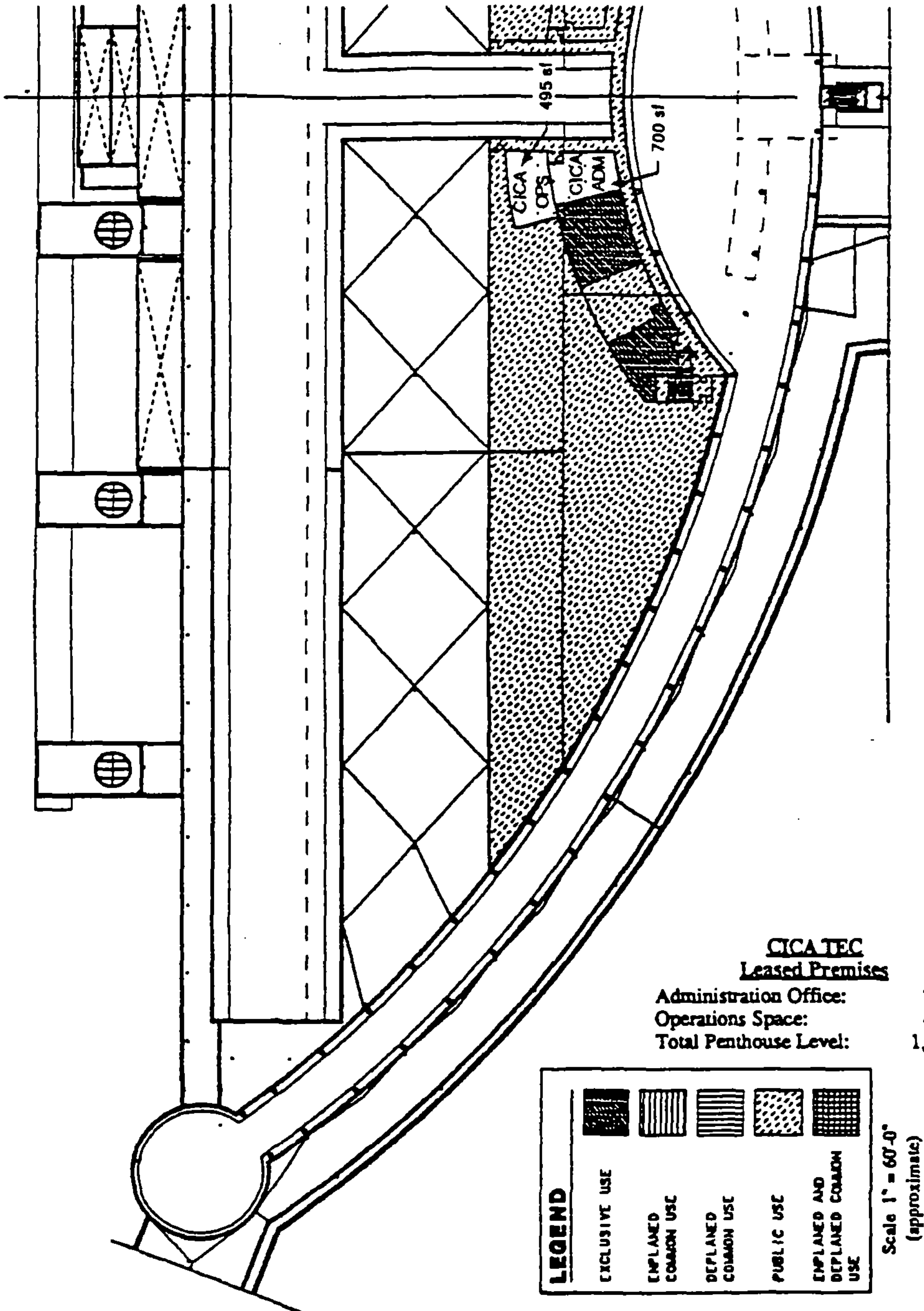
Apron Level

EXHIBIT D
(Page 6 of 7)



Apron Level

EXHIBIT D
(Page 7 of 7)



CICA TEC
Leased Premises

Administration Office:	700 sf
Operations Space:	495 sf
Total Penthouse Level:	1,195 sf

* **NOTE:** The location of Exclusive Use Premises and Public Use Premises shown on this exhibit does not conform to Exhibit B of the IT Use Agreement.

Penthouse Level

(Continued from page 27784)

City Agency Receiving Application: Department of Aviation-City of Chicago.

Type of Action Requested: Execution of Agreement by and between the City of Chicago and C.I.C.A. Terminal Equipment Corporation.

Every question must be answered; if a question is not applicable, answer with "N/A".

a. The applicant is an individual, and does not make this application in any representative capacity or in behalf of any beneficiary.

Yes __________ No ___X___ (If no, see below).

b. If the interest required to be disclosed is held by an agent or agents or a nominee or nominees, indicate the principals for whom the agents or nominees hold such interest.

N/A

c. If the interest of a spouse or any other party is constructively controlled by another person or legal entity, state the name and address of such person or entity possessing such constructive control and the relationship under which such control is being or maybe exercised ___N/A___

Signature of applicant or authorized personnel

1. If the applicant is an individual other than in a representative capacity for a legal entity, it is necessary only to complete paragraph 1 above and the verification at the end of this statement; if the applicant is a legal entity, the following information must be

provided as required. If additional space is needed, attach supplementary schedules or statements.

2. The applicant is a (describe legal entity) not-for-profit Illinois corporation.

1a. If the applicant is a corporation having fewer than 100 shareholders indicate or attach hereto a list of the names and addresses of all shareholders and the percentage of interest of each therein; identify the officers and the directors of such corporation.

(See attached list of officers and directors.)

If the applicant is a corporation having 100 shareholders or more indicate or attach hereto a list of the names and addresses of all shareholders owning shares equal to or in excess of 3% of the proportionate ownership interest and the percentage of interest of each therein; identify the officers and the directors of such corporation

N/A

The applicant is incorporated under the laws of the State of Illinois and authorized to do business in the State of Illinois. Its principal office is located at: c/o International Terminal Associates, 407 South Dearborn Street, Suite 600, Chicago, Illinois 60605.

Any corporation required by law to file a statement providing substantially the information required above with any other governmental agency may, in lieu of the above, file a duplicate of such statement or sufficient parts thereof to provide the required information, with the approval of the Corporation Counsel.

If the applicant is a partnership, association or joint or common venture, indicate below the name of each such partner, associate, or person and the percentage of interest of each therein

N/A

If the applicant is a land trust, business trust, estate of other similar commercial or legal entity, identify any representative, person or entity holding legal title as well as each beneficiary in whose behalf title is held, including the name, address and percentage of interest of each beneficiary

N/A

Whenever a stock or beneficial interest is held by a corporation or other legal entity, such shareholder or beneficiary shall also make disclosure as required below for corporations or other legal entities. Attach any additional information required to this statement. With respect to paragraphs 4 and 5 above, any legal entity required by law to file a statement providing substantially the information required above with any other governmental agency may, in lieu of the above, and with the approval of the Corporation Counsel, file a duplicate of such statement or sufficient parts thereof to provide the information required.

December 14, 1990
Date

(Signed) David Woodcock
Name

David Woodcock
President/Chairperson of the Board of Directors -- C.I.C.A. Terminal Equipment Corporation.
Title

Note: Pursuant to Section 26.1-3 of the Municipal Code of the City of Chicago, the Corporation Counsel of the City of Chicago may require any such additional information from any applicant to achieve full disclosure relevant to the request for action by the City Council or other city agency. Pursuant to Section 26.1-2 of the Municipal Code of the City of Chicago, any material change in the information required above must be provided by supplementing this statement at any time up to the time the City Council or any city agency takes action on the application.

State of Illinois)
) SS:
County of Cook)

The undersigned having been duly sworn, states that (he) or (she) is authorized to take this affidavit in behalf of the applicant, that the information disclosed in this economic disclosure statement and any accompanying schedules, is true and complete to the best of (his) or (her) knowledge, and that the applicant has withheld no disclosure as to economic interest in the undertaking for which this application is made, nor reserved any information data or plan as to the intended use of purpose for which it seeks action by the City Council or pertinent city agency.

(Signed) David Woodcock
(Signature of Person Making Statement)

Subscribed to before me, this 14th day of December A.D., 1990

(Seal) (Signed) Ellen A. Gehrke
Notary Public

Official Seal

Ellen A. Gehrke
Notary Public, State Of Illinois
My Commission Expires 2/3/92

C.I.C.A. Terminal Equipment Corporation

Initial Directors:

Steven C. Baker

John Hatanaka

A. Neal Helander

Arthur Molins

David Woodcock

Officers:

David Woodcock	President/Chairperson of the Board
Steven C. Baker	Vice President
A. Neal Helander	Secretary
John Hatanaka	Treasurer

Exhibit "F-2".

Specification ______________

Certification.

The undersigned ______________________ (Name), as ________________________ (Title) and on behalf of _____________________________ ("Contractor") having been duly sworn under oath certifies that:

Section I. Contractor Certification.

A. The Contractor or any subcontractor to be used in the performance of this contract, or any affiliated entity 1 of the Contractor or any such subcontractor, or any responsible official thereof, or any other official, agent or employee of the Contractor, any such subcontractor or any such affiliated entity 1, acting pursuant to the direction or authorization of a responsible official thereof has not, during a period of 3 years prior to the date of execution of this certification, or if a subcontractor or subcontractor's affiliated entity 1 during a period of 3 years prior to the date of award of the subcontract:

1) Bribed or attempted to bribe, or been convicted of bribery or attempting to bribe a public officer or employee of the City of Chicago, the State of Illinois, any agency of the federal government or any state or local government in the United States (if an officer or employee, in the officer's or employee's official capacity); or

2) Agreed or colluded, or been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

3) Made an admission of guilt of such conduct described in A (1) and (2) above which is a matter of record but has not been prosecuted for such conduct.

B. The Contractor or any agent, partner, employee or officer of the Contractor is not barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rigging3 in violation of Section 3 of Article 33E of the Illinois Criminal Code of 1961, as amended (Ill. Rev. Stat., 1989, Chapter 38, Section 33E-3) or any similar offense of any state or the United State which contains the same elements as the offense of bid-rigging3 during a period of five years prior to the date of submittal of this bid, proposal or response.

C. The Contractor or any agent, partner, employee, or officer of the Contractor is not barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rotating4 in violation of Section 4 of Article 33E of the Illinois Criminal Code of 1961, as amended (Ill. Rev. Stat., 1989, Chapter 38, Section 33E-4) or any similar offense of any state or the United States which contains the same elements as the offense of bid-rotating4.

D. The Contractor understands and will abide by all provisions of Chapter 19 of the Municipal Code of Chicago entitled "Office of Inspector General".

Section II. Subcontractor Certification.

1. The Contractor has obtained from all subcontractors to be used in the performance of this contract, known by the Contractor at this time, certifications in form and substance equal to Section I of this certification. Based on such certification(s) and any other information known or obtained by the Contractor, the Contractor is not aware of any such subcontractor, subcontractor's affiliated entity1, or any agent, partner, employee or officer of such subcontractor or subcontractor's affiliated entity1 having engaged in or been convicted of: (a) any of the conduct described in Section IA (1) or (2) of this certification, (b) bid-rigging3, bid-rotating4, or any similar offense of any state or the United States which contains the same elements as bid-rigging and bid-rotating, or having made an admission of guilt of the conduct described in Section IA, (1) or (2) which is a matter of record but has/have not been prosecuted for such conduct.

2. The Contractor will, prior to using them as subcontractors, obtain from all subcontractors to be used in the performance of this contract, but not yet known by the Contractor at this time, certifications in form and substance equal to this certification. The Contractor shall not, without the prior written permission of the City, use any of such subcontractors in the performance of this contract if the Contractor, based on such certifications or any other information known or obtained by Contractor, becomes aware of such subcontractor, subcontractor's affiliated entity1 or any agent, employee or officer of such subcontractor or subcontractor's affiliated entity1 having engaged in or been convicted of: (a) any of the conduct described in Section IA, (1) or (2) of this certification; or (b) of bid-rigging3, bid-rotating4 or any similar offense of any state or the United States which contains the same elements as bid-rigging or bid-rotating or having made an admission of guilt of the conduct described in Section IA, (1) or (2) which is a matter of record but has/have not been prosecuted for such conduct.

3. The Contractor will maintain on file for the duration of the contract all certifications required by Section II,(A) and (B) above, for all subcontractors to be used in the performance of this contract and will make such certifications promptly available to the City of Chicago upon request.

4. The Contractor will not, without the prior written consent of the City, use as subcontractors any individual, firm, partnership, corporation, joint venture or other entity from whom the Contractor is unable to obtain a certification in form and substance equal to this certification.

5. Contractor hereby agrees, if the City so demands, to terminate its subcontractor with any subcontractor, if such Contractor or subcontractor

was ineligible at the time that the subcontract was entered into for award of such subcontract under Chapter 26, Section 26-26 of the Chicago Municipal Code, or if applicable, under Section 33-E of Article 33 of the State of Illinois Criminal Code of 1961, as amended. Contractor shall insert adequate provisions in all subcontracts to allow it to terminate such subcontracts as required by this certification.

Section III. State Tax Delinquencies.

*(In completing this Section III, mark the box and place your initials in the appropriate Subsection)

( )A. Contractor is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or, if delinquent, Contractor is contesting, in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or amount of the tax.

Initials: ______________

( )B. Contractor has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

Initials: ______________

( )C. Contractor is delinquent in the payment of any tax administered by the Department of Revenue and is not covered under any of the situations described in subsections A and B of this Section III, above .5.

Initials: ______________

Section IV. Punishment.

A Contractor who makes a false statement, material to Section IB of this Certification commits a class 3 felony, Ill. Rev. Stat. 1989, Ch. 38, 33E-11 (B). Making a false statement concerning Section III of this Certification is a Class A misdemeanor, voids the contract and allows the municipality to recover all amounts paid to the contractor under the contract in a civil action, Ill. Rev. Stat., Ch. 24, 11-42.1-1.

Section V. Incorporation Into Contract.

This Certification shall become part of any contract awarded to the Contractor pursuant to the specification set forth on page 1 of this Certification.

* Before signing, mark and initial the appropriate box in Section III.

____
Name of Contractor

____
Signature of Authorized Officer

____
Title (Print or Type)

State of ___________

County of _________

Signed and sworn to before me this _____ day of _____________, 19____
by ______________________ (Name) as ______________________ (Title)
of _____________________________________ (Contractor).

(Seal)

____
Notary Public Signature

Commission expires: ______________________

Notes 1 -- 5.

1. In accordance with Chapter 26, Section 26-26 of the City of Chicago Municipal Code, the Contractor or a subcontractor shall be chargeable with the conduct of an affiliated entity. Business entities are affiliated if, directly or indirectly, one controls or has the power to control the other, or if a third person controls or has the power to control both entities. Indicia of control include without limitation: interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity under Chapter 26, Section 26 of the City of Chicago Municipal Code using substantially the same management, ownership or principals as the ineligible entity.

2. No corporation shall be barred from contracting with any unit of state or local government as a result of a conviction, under either Section 33E-3 or Section 33E-4 of Article 33 of the State of Illinois Criminal Code of 1961, as amended, of any employee or agent of such corporation if the employee so convicted is no longer employed by the corporation and: (1) it has been finally adjudicated not guilty or (2) if it demonstrates to the governmental entity with which it seeks to contract and that entity finds that the commission of the offense was neither authorized, requested, commanded, nor performed by a director, officer or a high managerial agent in behalf of the corporation as provided in paragraph (2) of subsection (a) of Section 5-4 of the State of Illinois Criminal Code.

3. For purposes of Section I of this certification, a person commits the offense of and engages in bid-rigging when he knowingly agrees with any person who is, or but for such agreement would be, a competitor of such person concerning any bid submitted or not submitted by such person or another to a unit of state or local government when with the intent that the bid submitted or not submitted will result in the award of a contract to such person or another and he either (1) provides such person or receives from another information concerning the price or other material term or terms of the bid which would otherwise not be disclosed to a competitor in an independent noncollusive submission of bids or (2) submits a bid that is of such a price or other material term or terms that he does not intend the bid to be accepted. Ill. Rev. Stat., 1989, Ch. 38, §33E-3.

4. For purposes of Section I of this certification, a person commits the offense of and engages in bid-rotating when, pursuant to any collusive scheme or agreement with another, he engages in a pattern over time (which, for the purposes hereof, shall include at least 3 contract bids within a period of ten years, the most recent of which occurs after January 1, 1989) of submitting sealed bids to units of

state or local government with the intent that the award of such bids rotates, or is distributed among, persons or business entities which submit bids on a substantial number of the same contracts. Ill. Rev. Stat., 1989, Ch. 38, §33E-4.

5. Chapter 24, §11-42.1-1 of the Illinois Revised Statutes provides that a municipality may not enter into a contract or agreement with an individual or other entity that is delinquent in the payment of any tax administered by the Illinois Department of Revenue unless the contracting party is contesting, in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or the amount of the tax or unless the contracting party has entered into an Agreement to pay the tax and is in compliance with the Agreement. Notwithstanding the above, the municipality may enter into the contract if the contracting authority for the municipality determines that:

(1) the contract is for goods or services vital to the public health, safety or welfare; and

(2) the municipality is unable to acquire the goods or services at a comparable price and of comparable quality from other sources.

Exhibit "F-3".

Anti-Apartheid Affidavit.

(Competitively Bid Contracts)

Specification No.________

Contract No.____________

Purpose Of Affidavit.

Each Contractor with whom the City enters into a contract pursuant to competitive bidding must complete this affidavit of compliance with the Chicago Anti-Apartheid Ordinance, Chapter 3-68 of the Municipal Code. Certain terms used in this affidavit are defined in the Anti-Apartheid Ordinance and the regulations issued thereunder and have the same meanings in the affidavit as in the ordinance and regulations. In order to assure the accuracy of this affidavit, refer to the ordinance and regulations when completing this affidavit. Copies of the ordinance and regulations may be obtained in the offices of the City's Purchasing Agent or Comptroller.

Instructions.

Indicate which of the Certifications below are true by having the authorized representative of the Contractor sign his/her initials in the appropriate box.

Certifications.

( ) 1. Neither the Contractor nor any of its affiliates does business in South Africa or with any public or private entity located in South Africa.

( ) 2. No goods to be provided to the City by the Contractor or by any of its subcontractors under the subject contract were principally manufactured, produced, assembled, grown or mined in South Africa.

Under penalty of perjury, I certify that I am the ______________________
______________________________ of ______________________________________,
Title (Type or Print) (Type or Print Name of Contractor)
that I am authorized by the Contractor to execute this affidavit in its behalf, that I have personal knowledge of the certifications made in this affidavit and that the same are true.

____
Signature of Owner or Authorized Officer

____
Name (Type or Print)

State of ____________________

County of __________________

Subscribed and sworn to before me
this ____day of ____________, 19____.

____
Notary Public Signature

My Commission Expires: ___________

Anti-Apartheid Affidavit.

(Non-Bid, Non-Professional Service Contract)

Specification No. ___________

Contract No. _______________

Purpose Of Affidavit.

Each Contractor with whom the City enters into a contract, without competitive bidding and for a purpose other than professional services, must complete this affidavit of compliance with the Chicago Anti-Apartheid Ordinance, Chapter 3-68 of the Municipal Code. Certain terms used in this affidavit are defined in the Anti-Apartheid Ordinance and the regulations issued thereunder, and have the same meanings in this affidavit as in the ordinance and regulations. In order to assure the accuracy of this affidavit, refer to the ordinance and regulations when completing this affidavit. Copies of the ordinance and regulations may be obtained in the offices of the City's Purchasing Agent or Comptroller.

Instructions.

Indicate whether the statements below are true by having the authorized representative of the Contractor sign his/her initials in the bracket below. If the Contractor is not able to certify that statements below are true, the Contractor will not be eligible to be awarded the contract unless a waiver is granted pursuant to §3-68-086 of the Anti-Apartheid Ordinance.

Certifications.

( ) 1. The Contractor:

(a) has no contracts with South Africa, any South African business, or any business or corporation for the express purpose of assisting operations in or trading with any private or public entity in South Africa (referred to collectively throughout this affidavit as "Prohibited Contracts");

(b) maintains, has implemented, and will maintain a policy during the term of the subject City contract and as a material condition thereof, not to enter into Prohibited Contracts; and

(c) its subcontractors under the subject contract will not provide to the City under the subject contract any goods that were principally manufactured, produced, assembled, grown or mined in South Africa.

Verification.

Under penalty of perjury, I certify that I am the ____________________
____________________ of ______________________________,
Title (Type or Print) (Type or Print Name of Contractor)
that I am authorized by the Contractor to execute this affidavit in its behalf, that I have personal knowledge of the certifications made in this affidavit and that the same are true.

____
Signature of Owner or Authorized Officer

____
Name (Type or Print)

State of _______________

County of _____________

Subscribed and sworn to before me
this ____ day of ___________, 19 ____.

____

Notary Public Signature

My Commission Expires: ___________

Anti-Apartheid Affidavit.

(Professional Services Contract)

Specification No. ___________

Contract No. _______________

Purpose Of Affidavit.

Each Contractor with whom the City enters into a contract for professional services must complete this affidavit of compliance with the Chicago Anti-Apartheid Ordinance, Chapter 3-68 of the Municipal Code. Certain terms used in this affidavit are defined in the Anti-Apartheid Ordinance and the regulations issued thereunder, and have the same meanings in this affidavit as in the ordinance and regulations. In order to assure the accuracy of this affidavit, refer to the ordinance and regulations when completing this affidavit. Copies of the ordinance and regulations may be obtained in the offices of the City's Purchasing Agent or Comptroller.

Instructions.

Indicate which set of the Certifications below is true by having the authorized representative of the Contractor sign his/her initials in the appropriate bracket below. Even if the Contractor is unable to certify that one of the sets of statements is true, the Contractor may qualify for a waiver. See §3-68-096 of the Anti-Apartheid Ordinance.

Certifications.

( ) 1. The Contractor:

(a) has no contracts for professional services, either directly or through any of its subsidiaries, with South Africa, any South African business, or any business or corporation for the express purpose of assisting operations in or trading with any private or public entity in South Africa (referred to collectively throughout this affidavit as "Prohibited Contracts");

(b) and its subsidiaries have not been disqualified from acting as a financial institution for the City of Chicago under the Anti-Apartheid Ordinance; and

(c) and its subcontractors under the subject contract will not provide to the City under the subject contract any goods that were principally manufactured, produced, assembled, grown or mined in South Africa.

( ) 2. The Contractor:

(a) and its subsidiaries maintain a policy not to enter into additional Prohibited Contracts in the future, and will maintain that policy during the term of the subject contract with the City;

(b) and its subsidiaries are actively pursuing a program of disengaging from all Prohibited Contracts, and will complete their disengagement within one year from the date of this affidavit (See Regulations, §5.1(a) and (b), and attach required information);

(c) will report on a quarterly basis concerning the status of the disengagement program to the Purchasing Agent and the head of any city department or agency with which the Contractor enters into a professional services contract;

(d) and its subsidiaries have not been disqualified from acting as a financial institution for the City of Chicago under the Anti-Apartheid Ordinance;

(e) and its subcontractors under the subject contract will not provide to the City under the subject contract any goods that were principally manufactured, produced, assembled, grown or mined in South Africa.

Verification.

Under penalty of perjury, I certify that I am the ____________________
____________________ of ____________________,
Title (Type or Print) (Type or Print Name of Contractor)
that I am authorized by the Contractor to execute this affidavit in its behalf, that I have personal knowledge of the certifications made in this affidavit and that the same are true.

____
Signature of Owner or Authorized Officer

____
Name (Type or Print)

State of ____________

County of ____________

Subscribed and sworn to before me
this ____ day of _______, 19 ___.

____
Notary Public Signature

My Commission Expires: ___________________

Exhibit "G".

Affirmative Action.

I. Equal Employment And Affirmative Action.

Paragraph 1. Minority And Women Business Enterprise.

C.I.C.A. T.E.C. shall provide for the participation of Minority and Women Business Enterprises in the design and construction of the Project. To this end, C.I.C.A. T.E.C. shall establish a policy for the utilization of Minority and Women Business Enterprises, a liaison with the Department of Aviation and the Department of Purchasing for Minority and Women Business Enterprises, a goal for the award of design and construction contracts, and a reporting procedure agreeable to C.I.C.A. T.E.C. and City.

Paragraph 2. Policy.

The following statement represents C.I.C.A. T.E.C.'s policy regarding Equal Opportunity and a Minority and Women Business Enterprises program:

> C.I.C.A. T.E.C. is committed to providing fair and representative opportunities for minorities and Minority and Women Business

Enterprises in its corporate and construction project. Neither C.I.C.A. T.E.C. nor its contractors shall discriminate on the basis of race, color, religion, sex or national origin in the award and performance of contracts to be utilized for any of C.I.C.A. T.E.C.'s corporate construction projects. Furthermore, affirmative action will be taken, consistent with sound procurement policies and applicable law, to ensure that Minority and Women Business Enterprises are afforded a fair representative opportunity to participate in C.I.C.A. T.E.C.'s construction project contracts.

This policy shall be stated in all contracts executed for construction of the Project, circulated to all employees of C.I.C.A. T.E.C. in affected departments, and made known to minority and women entrepreneurs.

Paragraph 3. Liaison.

To ensure compliance and the successful management of C.I.C.A. T.E.C.'s Minority and Women Business Enterprises program, C.I.C.A. T.E.C. shall establish a Minority and Women Business Enterprises liaison with City's Department of Aviation and with City's Department of Purchases, Contracts and Supplies for the Project. Further, all personnel of C.I.C.A. T.E.C. and all others with responsibilities in the supervision of contracts for the Project are to see that actions are performed consistent with the affirmative action goals of this Exhibit G.

Paragraph 4. Goals.

The goals to be met by C.I.C.A. T.E.C. in the design and construction of the Project shall be with utilization of Minority Business Enterprises (M.B.E.) and Women Business Enterprises (W.B.E.) certified by City subject to the availability of M.B.E. and W.B.E. capable of performing the design and construction of the Project. These goals shall be administered in a manner to assure City and C.I.C.A. T.E.C. that: (1) the Project shall be completed at a reasonable and acceptable cost to C.I.C.A. T.E.C., (2) The Project shall be completed on a reasonable and acceptable timetable to C.I.C.A. T.E.C. and City (using the construction procedures described in Exhibit B), and (3) the construction quality for the Project shall be reasonable and acceptable to C.I.C.A. T.E.C. and City.

The goals of C.I.C.A. T.E.C. for participation by Minority and Women Business Enterprises (M.B.E. and W.B.E.) in the design and construction of the Project shall be to achieve a minimum of M.B.E. participation of 25% and W.B.E. participation of 5%, based on the total contracted expenditures for the Project.

Paragraph 5. Eligibility.

Only those persons, firms, partnerships, corporations or other legal entities certified by City as a certified M.B.E. and/or W.B.E. shall be eligible for purposes of meeting the goals established by paragraph 4 hereof.

Paragraph 6. Reporting.

In the event that there are contracts subject to this Exhibit G, at quarterly intervals beginning April 1, 1991, C.I.C.A. T.E.C. shall submit to City a Minority and Women Business Enterprise progress report, on forms or on a format established by City and agreeable to C.I.C.A. T.E.C. that includes the following items:

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

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

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

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

(v) an evaluation of the overall progress to date towards the Minority and Women Business Enterprise goals for the Project; and

(vi) in the event that the progress report indicates that the Minority and Women Business Enterprise goals for the Project are not being met, a plan for achieving the specified minimum participation as soon as possible.

II. Equal Employment Opportunity And Affirmative Action Plan.

C.I.C.A. T.E.C. must commit to establish, maintain and implement a written Equal Employment Opportunity and Affirmative Action Plan (the "E.E.O./A.A. Plan") for the Project, which plan is acceptable to City and C.I.C.A. T.E.C.

The E.E.O./A.A. Plan will be considered in relation to the following goals for employment of women and minorities:

Minority Employment:

25% of skilled hours

40% of laborer hours

Women's Employment:

7% of skilled hours

10% of laborer hours

III. Chicago Residency Goals.

It shall be a goal of C.I.C.A. T.E.C. that of the total construction worker hours performed in connection with the Project by the contractor and subcontractors in the categories of unskilled construction laborers and skilled construction trade workers, at least 50% in each category shall be performed by City residents. C.I.C.A. T.E.C. shall use its best efforts to meet this goal.

IV. Reporting And Compliance.

In the event that there are contracts subject to this Exhibit G, at quarterly intervals, beginning April 1, 1990, C.I.C.A. T.E.C. shall submit to City progress reports on forms or on a format established by City's Department of Purchases, Contracts and Supplies and agreeable to C.I.C.A. T.E.C., that provide required information concerning C.I.C.A. T.E.C.'s compliance with C.I.C.A. T.E.C.'s M.B.E./W.B.E. requirements, E.E.O. and Affirmative Action Plan, and Chicago residency goals.

V. Contracting Authority Of C.I.C.A. T.E.C.

Nothing contained herein shall be deemed to supersede the authority and responsibility of C.I.C.A. T.E.C. with respect to the contracting process for construction for the Project.

Exhibit "H".

December 12, 1990

Mr. David Woodcock
Chicago International Carriers Association
Technical Equipment Corporation
c/o International Terminal Associates
150 South Wacker Drive, Suite 625
Chicago, Illinois 60606

Re: Contract Requirements for C.I.C.A. T.E.C. Contractors

Dear Mr. Woodcock:

This letter is in response to your request for a list of those provisions which must be included in your contract documents for the Project. Except as specifically provided hereinbelow, the entire document prepared by Terminal 5 Venture and entitled "Bid Documents", a copy of which has been provided to you, must be incorporated in those contracts you award. Those items which may be deleted are as follows:

1. Section 18, "Communications".

2. Section 27, "Payment", provided you require retainage and human rights provisions as set forth in your agreement with the City, lien waivers, and certified payrolls.

3. Section 27.2.2, "Utilities".

4. Section 27.2.3, "Stored Materials", provided you impose comparable protections for materials stored off-site and for which payment has been made.

5. Section 31, "Changes", provided you impose a condition making the City's provisions operative if it takes over the work.

6. Section 33, "Termination", provided you impose a condition making the City's provisions operative if it takes over the work.

7. Section 34, "Preconstruction Meetings and Reports", provided you impose a condition making the City's provisions operative if it takes over the work.

In addition, there is a "Master Trade Contract" included in the Bid Documents. The provisions in Article III, "Time of Commencement and Completion", and Article IV, Section 4.4, "Retainage", contained therein must be included in your Contracts.

Finally, Terminal 5 Venture has also prepared a document entitled "Proposal for Bid Package No. ______". The provisions regarding liquidated damages and bonds contained therein must be included in your Contracts.

Please advise me immediately if you have any comments or questions on the above.

Sincerely,

(Signed) Paul A. Stein,
Director.

Exhibit 2.

1991 Amendment To

International Terminal Use Agreement

And Facilities Lease.

This 1991 Amendment to Chicago-O'Hare International Airport

International Terminal Use Agreement and Facilities Lease (this "Amendment") made and entered into as of this _____ day of ___________, 1991, by and between the City of Chicago, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois ("City") and the airline named on the signature page hereof ("Airline").

Witnesseth:

Whereas, City and Airline have entered into a Chicago-O'Hare International Airport International Terminal Use Agreement and Facilities Lease dated as of January 1, 1990 (the "International Terminal Use Agreement"); and

Whereas, It is necessary and advisable to amend the International Terminal Use Agreement in certain respects;

Now, Therefore, In consideration of the premises and of the mutual covenants and agreements herein contained, City and Airline agree as follows:

Section 1. Section 1.01 of the International Terminal Use Agreement is hereby amended by revising the definition of "Operation and Maintenance Expenses of the International Terminal Area" to read in its entirety as follows:

" 'Operation and Maintenance Expenses of the International Terminal Area' or 'O. & M. Expenses of the International Terminal Area' means, for any Fiscal Year, (i) Operation and Maintenance Expenses, as defined in the 1983 Airport Use Agreement, for such Fiscal Year, allocated to the International Terminal Area pursuant to the terms of the 1983 Airport Use Agreement, (ii) any amounts payable with respect to an International Terminal Special Capital Project Expenditure, (iii) any amounts payable for leasing property to be used for hardstand parking of aircraft and for leasing buses for the operation of such hardstand, and (iv) any amounts due and owing to the City, its agents, officials and employees under the Consortium Agreement, including, without limitation, any amounts due and owing as a result of a failure by C.I.C.A. Terminal Equipment Corporation ("C.I.C.A. T.E.C.") to perform any of its obligations under the Consortium Agreement, including, without limitation, Exhibit B thereto and Article IX thereof pertaining to indemnity and insurance obligations of C.I.C.A. T.E.C., which amounts C.I.C.A. T.E.C. has failed to pay within thirty (30) days following written notification from the City to C.I.C.A. T.E.C."

Section 2. This Amendment 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.

In Witness Whereof, City has caused this Amendment to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of City, and its seal to be hereunto affixed and attested by the City Clerk of City, and Airline has caused this Amendment to be executed on its behalf by its ______________ President and its ______________ Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

Attest:	City of Chicago
______________________________	______________________________
City Clerk	Mayor
______________________________	
Comptroller	
Approved:	Department of Aviation
______________________________	______________________________
Corporation Counsel	Commissioner
Witness:	
	______________________________
	[Airline]
______________________________	By: ______________________________
Its: ______________________________	Its: ______________________________

EXECUTION OF FIRST AMENDMENT TO POSTAL FACILITY SITE AGREEMENT WITH UNITED STATES POSTAL SERVICE AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

The Committee on Aviation submitted the following report:

CHICAGO, December 13, 1990.

To the President and Members of the City Council:

Your Committee on Aviation, to which was referred an ordinance (November 28, 1990) authorizing the City to execute the First Amendment to Postal Facility Site Agreement between the City of Chicago, as Lessor, and the United States Postal Service, as Lessee, affecting certain real property located at Chicago-O'Hare International Airport, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in unanimously by a viva voce vote of the members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) THOMAS W. CULLERTON,
Chairman.

On motion of Alderman Cullerton, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City") owns, controls and operates the Chicago-O'Hare International Airport ("Airport") in Chicago, Illinois and possesses the power and authority to grant rights and privileges with respect thereto; and

WHEREAS, The City, as Lessor, and the United States Postal Service, an independent establishment of the executive branch of the government of the United States, as lessee ("Lessee"), have entered into that certain postal facility site agreement ("Agreement"), approved by the City Council of the City by ordinance adopted April 25, 1985 (Council Journal of Proceedings page 15625), by which the City granted to Lessee certain privileges or premises to be occupied by Lessee at the Airport; and

WHEREAS, Pursuant to the terms of the Agreement, Lessee constructed and currently operates a postal facility; and

WHEREAS, The parties seek to amend the Agreement to provide in part for an increase in Lessee's leased premises at the Airport to allow for the expansion of the postal facility; and

WHEREAS, The City deems it in the public interest and beneficial to itself and to its operation of the Airport to amend the Agreement; now, therefore,

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

SECTION 1. The Mayor or his proxy, on behalf of the City of Chicago, is authorized to execute, and the City Clerk to attest, the First Amendment to Postal Facility Site Agreement between the City of Chicago, as Lessor, and The United States Postal Service, an independent establishment of the executive branch of the government of the United States, as Lessee, substantially in the form attached hereto as Exhibit A.

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

[Exhibits "B", "C", "C-1" and "D" attached to this ordinance printed on pages 27828 through 27831 of this Journal.]

Exhibit "A" attached to this ordinance reads as follows:

Exhibit "A".

First Amendment To Postal Facility Site Agreement.

This First Amendment to Postal Facility Site Agreement ("First Amendment"), made and entered into this _____ day of ____________, 1990, by and between the City of Chicago, an Illinois municipal corporation ("City"), and the United States Postal Service, an independent establishment of the executive branch of the government of the United States ("Tenant").

Recitals:

Whereas, City and Tenant have entered into that certain postal facility site agreement dated April 25, 1985 ("Agreement "), approved by the City Council of the City by ordinance adopted April 25, 1985 (Council Journal of Proceedings page 15625), by which City granted to Tenant certain privileges or premises to be occupied at Chicago-O'Hare International Airport in the City of Chicago, Counties of Cook and DuPage, State of Illinois; and

Whereas, The parties seek to amend the Agreement to provide in part for an increase in Tenant's leased premises at the Airport to allow for the expansion of the Postal Facility;

Now, Therefore, In consideration of the provisions and conditions set forth herein, the parties covenant and agree as follows:

1. The recitations set forth above constitute an integral part of the First Amendment and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties. Except as otherwise provided for in the First Amendment, any and all defined terms shall have the meanings ascribed to them in the Agreement.

2. Section 1.1 of the Agreement captioned as "Demise" shall be amended and the following paragraphs added after the first paragraph:

"City shall lease to Tenant that certain additional parcel of land ("Parcel") adjacent to the Demised Premises (the present Demised Premises and the Parcel are hereinafter collectively described as

"Demised Premises"). Unless otherwise agreed to by the parties, the Agreement shall become null and void if Tenant is unable to achieve a successful settlement of all environmental assessment and flood plain mitigation issues with the United States and Illinois Environmental Protection Agencies with regard to Tenant's proposed development of the Parcel. Said settlement shall be evidenced by the issuance of a permit by the Illinois E.P.A. with regard to: (1) the replacement of wetlands by Tenant along and adjacent to that certain drainage ditch located at the Airport and commonly known as the Bensenville Ditch, and (2) the construction of Improvements by Tenant on the Parcel. The Parcel consists of approximately 988.104.3 square feet of leasable area and is more fully described on Exhibit A-1 attached hereto.

Tenant shall construct on the Parcel an Annex, Parking Structure and other improvements to the 606 North Mail Processing Center and shall expand the Postal Facility (collectively, "Improvements"). Tenant agrees that it shall utilize the Parcel only for the uses stated in the Agreement.

The City shall deliver possession of the Parcel to Tenant on the date in which Tenant awards a construction contract concerning the construction of the Annex and Parking Structure ("Date of Possession"). Tenant shall be required to obligate its construction contractor to commence construction of the Annex and Parking Structure within sixty (60) days of the awarding of the construction contract".

3. Section 2.1 of the Agreement captioned as "Base Rent" shall be deleted in its entirety and the following language inserted:

"2.1 Base Rent. Until the Date of Possession, Tenant shall pay to the City, at the Office of the Comptroller of the City ("City Comptroller"), on or before the first day of each month, a monthly ground rental ("Base Rent") of Twenty-two Thousand Five Hundred Forty-five and 65/100 Dollars ($22,545.65). During the term of the Lease subsequent to the Date of Possession, Tenant shall pay to the City, at the Office of the City Comptroller, Base Rent, payable in arrears, which will be one-twelfth (1/12th) of the annual rental set forth in the schedule attached hereto as Exhibit D.

The cost of site preparation of the Parcel has been estimated to be $8,000,000 as described on Exhibit D and includes the cost of any fill which the Tenant may purchase from the City. Within six (6) months after the completion of construction of the Improvements to be located on the Parcel, Tenant shall furnish to the Commissioner of Aviation ("Commissioner") properly audited documentation showing the final cost to Tenant of preparing the Parcel for the construction of the Improvements. After the Commissioner reviews and approves the audit, Exhibit D shall be revised by the parties to show the new annual Base Rent to be paid by Tenant, effective January 1, 1994. Revised Exhibit D will be based on amortization of the final audited cost of site preparation of the Parcel over twenty-five (25) years at an interest rate of 7%. It shall also include the amortization of the balance of the credit remaining from the site preparation cost of the original Demised Premises as of December 31, 1993".

4. Section 2.2 of the Agreement captioned "Taxes and Other Charges" shall be amended by, in the third sentence of the section, inserting the word "relocated" before the phrase "tug and cart road".

5. Section 3.4 of the Agreement captioned "Right of Entry and Easement" shall be amended by inserting the word "Revised" before the phrase "Exhibit B" in subsection (a), and the phrase "Exhibit C" in subsection (b).

6. Section 4.2 of the Agreement captioned "Construction by Tenant" shall be amended by substituting the phrase "Exhibit A-1" for the phrase "Exhibit A" appearing in paragraphs (i), (iii) and (iv) of subsection (b). Subsections (c), (d), (f), (g), (h), (k) and (m) shall be amended by substituting the word "Improvements" for the phrase "Postal Facility" in each instance. Subsection (b) shall be further amended by, in subparagraph (i), deleting the phrase "as Parcels E and G on page 6 of Exhibit A" and inserting the phrase "in those certain site plans attached hereto as Exhibit C", in subparagraph (iii), by deleting the phrase "as Parcels C and H on page 5 of Exhibit A" and inserting the phrase "on that certain survey to be prepared by Tenant and approved by the Commissioner in accordance with the terms of the Agreement", and in subparagraph (iv), by deleting the phrase "page 4 of Exhibit A" and inserting the phrase "on Exhibit B attached hereto". Subsection (c) shall be amended by deleting the word "building" after the phrase "Postal Facility". Section 4.2 of the Agreement shall be further amended by deleting subsection (j) in its entirety.

7. Article 5 of the Agreement captioned "Maintenance" shall be amended by inserting the word "Revised" before the phrase "Exhibit C" in Section 5.1. Article 5 shall be further amended by adding the following sections:

5.6 Compliance with Environmental Requirements. Tenant, in conducting any activity on the Demised Premises, including any environmental response or remedial activities, shall comply with all applicable local, state or federal environmental rules, regulations, statutes, laws or orders (collectively "Environmental Requirements"), including but not limited to Environmental Requirements regarding the storage, use and disposal of Hazardous Materials or Special Wastes and regarding releases or threatened releases of Hazardous Materials or Special Wastes to the environment. For purposes of this Agreement, the term "Hazardous Materials" shall refer to those materials, including, without limitation, asbestos and asbestos-containing materials, polychlorinated byphenyls (PCBs), oil or any other petroleum products, natural gas, source material, special nuclear material, and byproduct materials regulated or hereafter regulated under the Atomic Energy Act (42 U.S.C. Sec. 2011 et seq. (1990)), pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act (17 U.S.C. Sec. 136 et seq. (1990)), and any hazardous waste, toxic substance or related material, including any substance defined or treated as a "hazardous substance", "hazardous waste", "or toxic substance" (or comparable term) in the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sec. 9601 et seq. (1990)), the Toxic Substances Control Act (17 U.S.C. Sec. 2601 et seq. (1990)), the Illinois Environmental Protection Act (Ill. Rev. Stat., Ch. 111-1/2, Sec. 1001 et seq. (1989)), and any rules or regulations promulgated pursuant to such statutes or any other applicable federal or state statute, rule or regulation, as amended in each case. For purposes of this Agreement, the term "Special Wastes" shall refer to those substances as defined in Section 1003.45, Ch. 111-1/2 of the Illinois Environmental Protection Act, and as further referred to in Section 809.103 of 35 Ill. Admin. Code, subtitle G, Ch. 1.

5.7 Review of Environmental Documents. Tenant, at the request of the City, shall make available for inspection and copying at the City's expense, upon reasonable notice and at reasonable times, any or all of the documents and materials that Tenant has prepared pursuant to any Environmental Requirement or submitted to any governmental agency. If there is an Environmental Requirement to file any notice or report of release or threatened release of Hazardous Materials or Special Wastes on, under or about the Demised Premises, Tenant shall provide a copy of such report or notice to the City, and to the extent practicable, shall receive the approval of the City prior to submitting such notice or report to the appropriate agency.

5.8 Access for Environmental Inspection. The City shall have reasonable access to the Demised Premises and to the Improvements to inspect the same to confirm that Tenant is using the Demised Premises in accordance with the Environmental Requirements. Tenant, at the request of the City, shall conduct such testing and analysis as is necessary to ascertain whether Tenant is using the Demised Premises in compliance with all Environmental Requirements. Any such tests shall be conducted by qualified independent experts chosen by Tenant and subject to the reasonable approval of the City. Copies of reports from any such testing shall be provided to the City. If, after such environmental tests are completed, Tenant is determined to be in full compliance with all Environmental Requirements, the City shall be obligated to pay for any such testing.

5.9 Default for Environmental Non-Compliance. If Tenant fails to comply with any applicable Environmental Requirement, the City, in addition to its rights and remedies described in Articles VI and X below, at its election, may enter the Demised Premises and take such measures as may be necessary to insure compliance with the Environmental Requirements, all at Tenant's expense.

5.10 Duty to Notify City. In the event of a release or threatened release of Hazardous Materials or Special Wastes to the environment relating to or arising out of Tenant's use or occupancy of the Demised Premises, or in the event any claim, demand, action or notice is made against Tenant with regard to Tenant's failure or alleged failure to comply with any Environmental Requirements, Tenant immediately shall notify the City in writing and shall provide the City with copies of any written claims, demands, notices or actions so made.

5.11 Environmental Remediation Tenant shall undertake any action as is necessary to remedy and remove any Hazardous Materials and Special Wastes and any other environmental contamination which are subseq.uently discovered on or under the Demised Premises and which are introduced by or caused by the Tenant, as is necessary to protect the public health and safety and the environment from actual or potential harm and to bring the Demised Premises into compliance with all applicable Environmental Requirements. The work shall be performed at Tenant's expense after Tenant submits to the City a written plan for completing such work and receives the prior written approval of the City, and the City shall have the right to review and inspect all such work at any time using consultants and representatives of the City's choice. Specific cleanup levels for any environmental remediation work shall be designed to comply with applicable requirements under local, state and federal statutes, regulations and guidelines. In the event that the City is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Demised Premises or the Improvements, Tenant shall indemnify the City for any costs, damages or fines that might be found against the City as occasioned solely by Tenant's use of the Demised Premises.

8. Article 6 of the Agreement captioned "Insurance and Indemnity" shall be amended by labeling Section 6.5 entitled "Indemnity" as paragraph (a) of Section 6.5, and then including the following language after the phrase "where the negligent or wrongful act or omission occurred.":

The situations in which Tenant shall indemnify the City shall include the following:

(i) Suits alleging a taking by Tenant of property or interests in property without just compensation, trespass, nuisance, or similar suits based upon the use of the Airport for the landing and taking-off of aircraft;

(ii) Tenant's use, occupancy or non-use of the Demised Premises;

(iii) The condition of the Demised Premises, including any equipment or facilities at any time located thereon, and any repairs, construction, alteration, renovation, relocation, remodeling and equipping thereof or thereto;

(iv) The violation by Tenant of any applicable agreement, warranty, covenant or condition of the Agreement, of any other contract, agreement or restriction relating to Tenant's operations at the Airport, or of any applicable law, ordinance, regulation or court order affecting the Airport;

(v) The failure or alleged failure of Tenant, its successors or assigns, to comply with the Environmental Requirements, or which is due, in whole or in part, to any releases or threatened releases of Hazardous Materials or Special Materials on, about or under the Demised Premises.

(b)(i) Subject to the provisions contained in Section 6.5(a), Tenant shall be responsible for : (a) all physical injuries (including death) to persons (including, but not limited, Tenant's and City's employees, contractors and subcontractors, agents and representatives), or (b) damage to property (including, but not limited to, property of the City), either of which may occur on account of or in connection with the performance of any work on, to or for the benefit of the Demised premises excepting therefrom that portion of any bodily injuries and property damage caused by the negligence or willful misconduct of the City, its contractors, agents, employees and other representatives as determined in a final judicial proceeding. Tenant's responsibility hereunder shall include, but not be limited to, the payment of Worker's Compensation under the Worker's Compensation law of the State of Illinois, and Tenant specifically covenants to reimburse the City for all payments of Worker's Compensation which the City shall be required to make to any employee who shall claim to have sustained injuries on account of or in connection with any work performed pursuant to this Agreement or with respect to the Demised Premises, excepting therefrom only bodily injuries and property damage caused by or resulting from the sole negligence of the City as determined in a final judicial proceeding.

(ii) During any construction by Tenant with respect to the Demised Premises, Tenant shall be solely responsible for the support, maintenance, safety and protection of the facilities of the City, and for the safety and protection of all persons or employees and of all property therein.

(c) Subject to the provisions contained in Section 6.5(a), Tenant agrees to indemnify and hold the City harmless against liability for any and all injuries and damages to the property of the City arising directly from, or in any way occurring in connection with any work done by or at the direction of Tenant for the benefit of the Demised Premises, whether caused by the negligence or willful misconduct of Tenant, its employees, agents, contractors, subcontracts or otherwise.

(d) The Commissioner shall promptly notify Tenant in writing of any claim or action brought against City in respect of which indemnity may be sought by City against Tenant hereunder setting forth the particulars of such claim or action and shall furnish Tenant with a copy of all suit papers and legal process. Tenant agrees to be substituted as a party to such lawsuits and have full responsibility for the defense or settlement thereof, including the employment of counsel and the payment of all expenses and all settlement or judgments. City shall cooperate fully with Tenant in the defense of any case hereunder, and may employ separate counsel in any such action and participate in the defense thereof.

6.6 Tort Immunity. Notwithstanding any reference herein to Tenant's release and indemnification being ineffective in certain instances where City, its agents, employees or representatives have been negligent, nothing herein shall be construed to make the City liable in any case or instance where the City would otherwise be immune from any tort liability because of its being a municipal corporation.

9. Section 11.6 of the Agreement captioned "Notices" shall be amended by deleting the phrase "121 North LaSalle, Room 511" and inserting the phrase "20 North Clark Street, 30th floor", and by deleting the phrase beginning with the words "Chicago Field" and ending with "Suite 2750" and by inserting the phrase "Real Estate Division, Chicago Facility Service Center, 222 South Riverside Plaza, Suite 1200".

10. If any provision of the First Amendment conflicts with any provision of the Agreement, the provision contained in the First Amendment shall govern.

In Witnesseth Whereof, The parties have executed this First Amendment, all as of the date and year first above written.

City of Chicago,
an Illinois municipal corporation

By: ____________________
Richard M. Daley, Mayor

Attest:

____
Walter S. Kozubowski, Clerk

Approved:

By: ____________________
Jay R. Franke, Commissioner,
Department of Aviation

By: ____________________
Walter K. Knorr, Comptroller

By: ____________________
Kelly R. Welsh,
Corporation Counsel

The United States Postal Service

By: ____________________

Attest:

____

Exhibit "A-1" attached to this First Amendment to Postal Facility Site Agreement reads as follows:

Exhibit "A-1".

National Survey Service, Inc.
Plat Of Survey No. 115437-5/30/90
(omitted)

ASSIGNMENT AND ASSUMPTION OF HANGAR AND HANGAR SITE LEASE AT CHICAGO O'HARE INTERNATIONAL AIRPORT FROM EASTERN AIR LINES, INC. TO UNITED AIR LINES, INC.

The Committee on Aviation submitted the following report:

CHICAGO, December 13, 1990.

To the President and Members of the City Council:

Your Committee on Aviation, to which was referred an ordinance (November 28, 1990) authorizing the assignment and assumption of a Hangar and Hangar Site Lease at Chicago-O'Hare International Airport from Eastern Air Lines, Inc. to United Air Lines, Inc., begs leave to recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

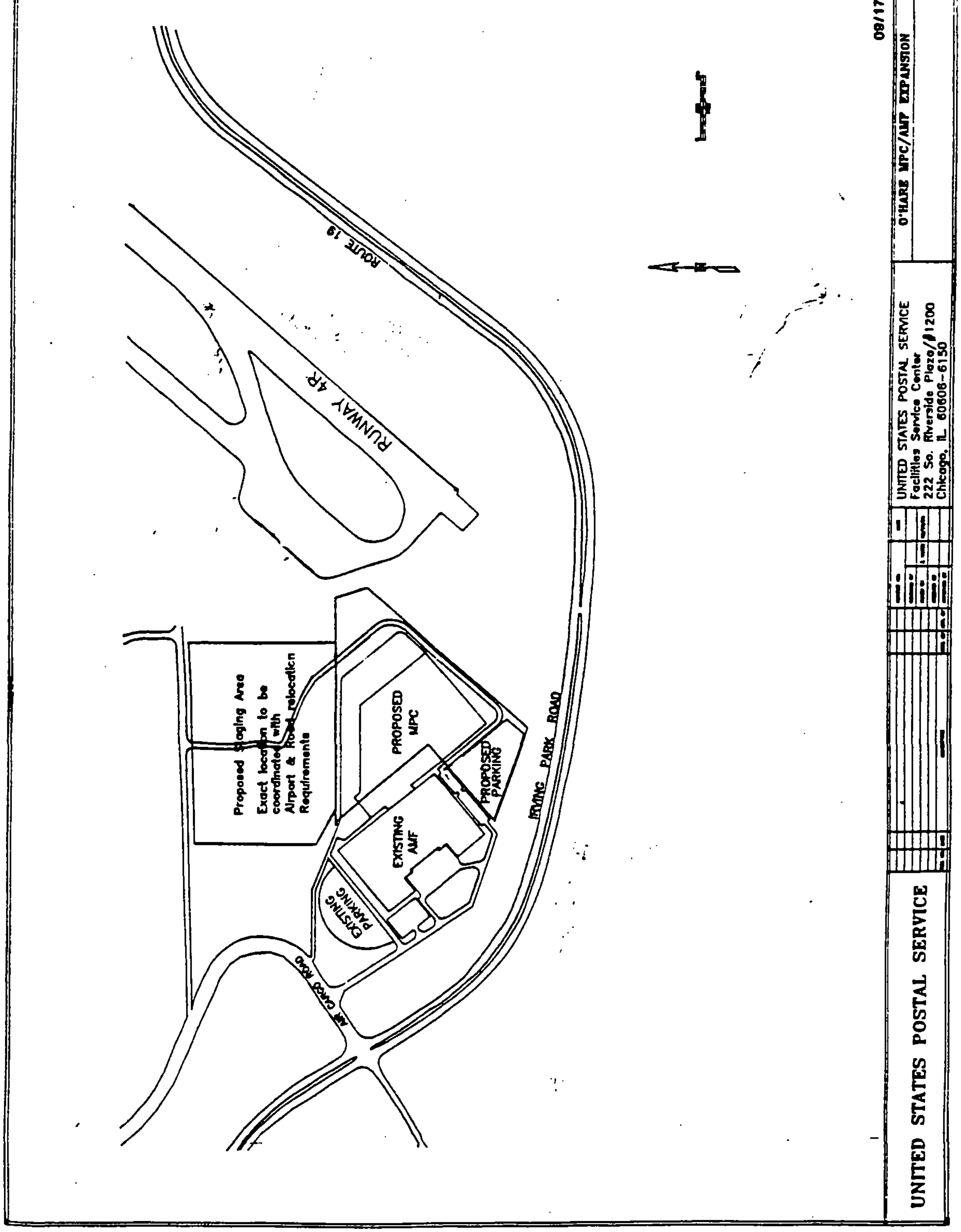
This recommendation was concurred in unanimously by a viva voce vote of the members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) THOMAS W. CULLERTON,
Chairman.

(Continued on page 27832)

REVISED EXHIBIT B



REVISED EXHIBIT C

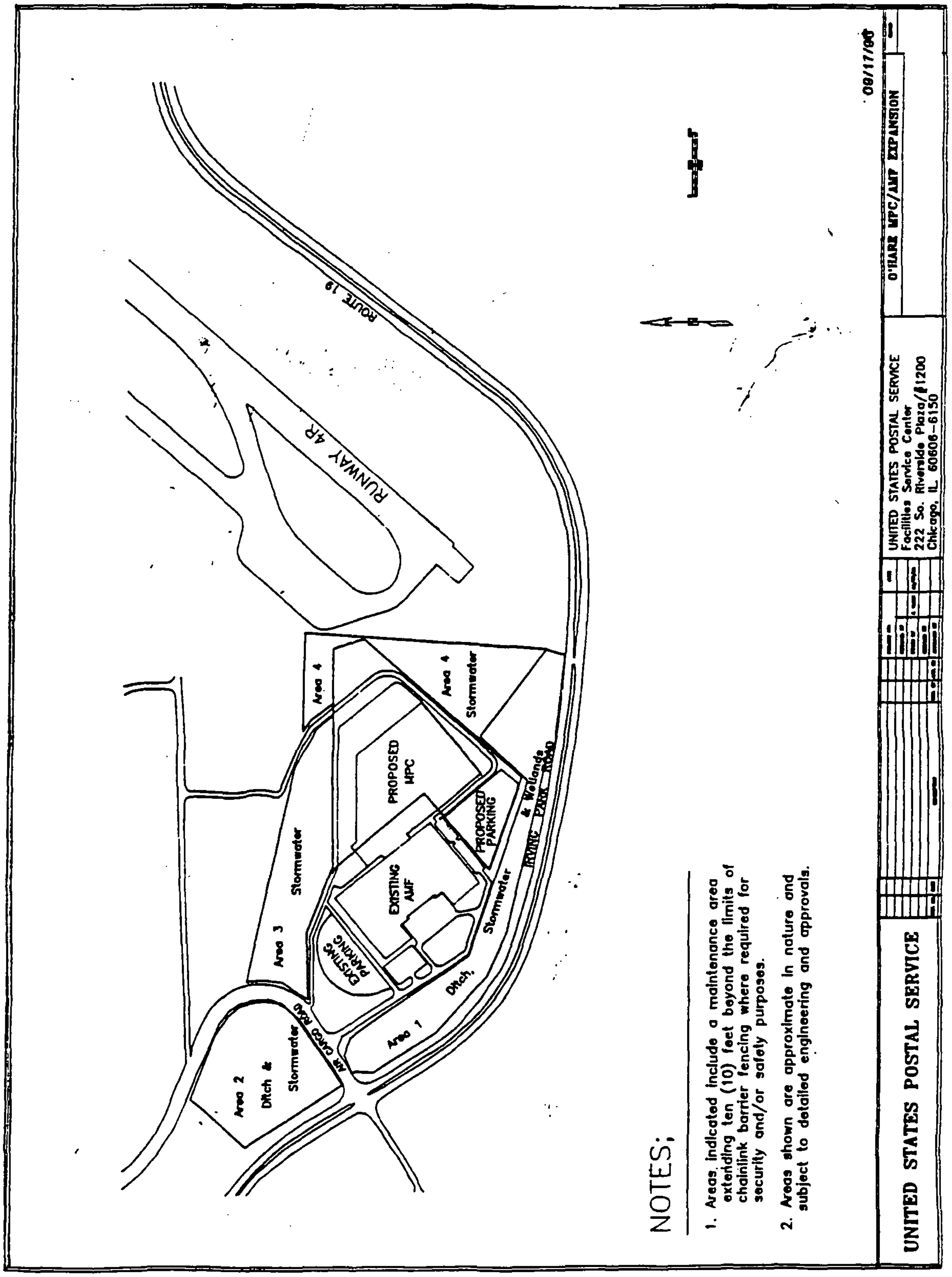
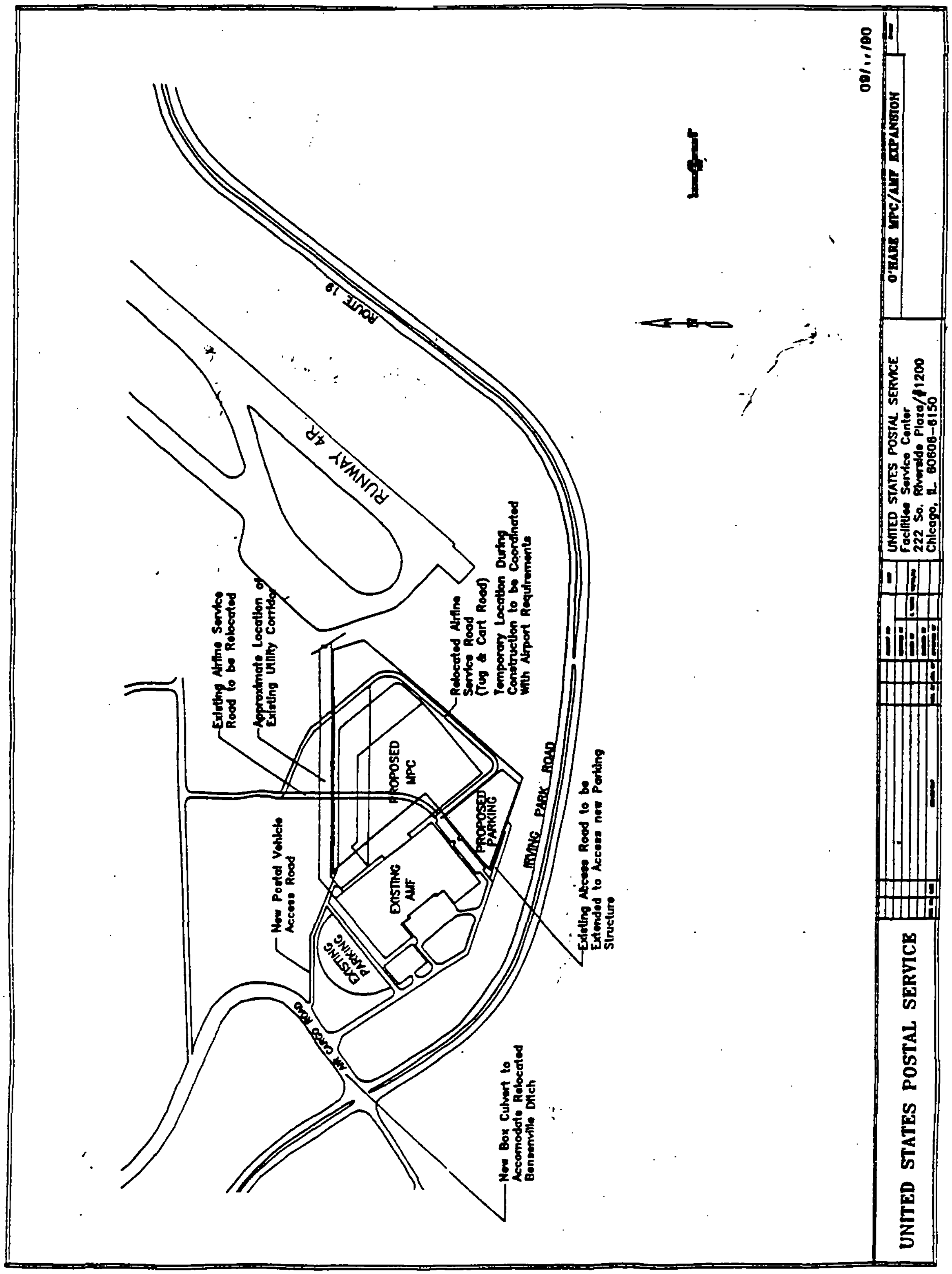


EXHIBIT C-1



RUNWAY 4R
ROUTE 19
IRVING PARK ROAD
AMF CARGO ROAD
PROPOSED MPC
EXISTING AMF
PROPOSED PARKING
EXISTING PARKING
Existing Airline Service Road to be Relocated
Approximate Location of Existing Utility Corridor
Relocated Airline Service Road (Tug & Cart Road)
Temporary Location During Construction to be Coordinated With Airport Requirements
New Postal Vehicle Access Road
Existing Access Road to be Extended to Access new Parking Structure
New Box Culvert to Accomodate Relocated Bensenville Ditch
O'HARE MPC/AMF EXPANSION
UNITED STATES POSTAL SERVICE
Facilities Service Center
222 So. Riverside Plaza/#1200
Chicago, IL 60606-6150
UNITED STATES POSTAL SERVICE

EXHIBIT D

****
POST OFFICE LEASE 9/20/90
****

|----------REVENUE----------| |----------CREDIT----------|

YEAR	RENT PER SQ.FT.	SQ.FT.	RENT PER YEAR	CREDIT PER MONTH	X 12	CREDIT PER YEAR	NOMINAL RENT PER YEAR	DISCOUNT FACTOR	NET RENT PER YEAR
1	0.50	1,971,915	985,957	70,433	12	845,197	140,760	1.074	131,074
2	0.50	1,971,915	985,957	70,433	12	845,197	140,760	1.153	122,054
3	0.50	1,971,915	985,957	70,433	12	845,197	140,760	1.238	113,655
4	0.50	1,971,915	985,957	70,433	12	845,197	140,760	1.330	105,834
5	0.50	1,971,915	985,957	70,433	12	845,197	140,760	1.428	98,551
6	0.55	1,971,915	1,084,553	70,433	12	845,197	239,356	1.534	156,049
7	0.55	1,971,915	1,084,553	70,433	12	845,197	239,356	1.647	145,311
8	0.55	1,971,915	1,084,553	70,433	12	845,197	239,356	1.769	135,311
9	0.55	1,971,915	1,084,553	70,433	12	845,197	239,356	1.900	126,000
10	0.55	1,971,915	1,084,553	70,433	12	845,197	239,356	2.040	117,329
11	0.61	1,971,915	1,193,008	70,433	12	845,197	347,811	2.191	158,760
12	0.61	1,971,915	1,193,008	70,433	12	845,197	347,811	2.353	147,835
13	0.61	1,971,915	1,193,008	70,433	12	845,197	347,811	2.527	137,662
14	0.61	1,971,915	1,193,008	70,433	12	845,197	347,811	2.713	128,189
15	0.61	1,971,915	1,193,008	70,433	12	845,197	347,811	2.914	119,367
16	0.67	1,971,915	1,312,309	70,433	12	845,197	467,112	3.129	149,279
17	0.67	1,971,915	1,312,309	70,433	12	845,197	467,112	3.360	139,007
18	0.67	1,971,915	1,312,309	70,433	12	845,197	467,112	3.609	129,441
19	0.67	1,971,915	1,312,309	70,433	12	845,197	467,112	3.875	120,534
20	0.67	1,971,915	1,312,309	70,433	12	845,197	467,112	4.162	112,239
21	0.73	1,971,915	1,443,540	70,433	12	845,197	598,343	4.469	133,878
22	0.73	1,971,915	1,443,540	70,433	12	845,197	598,343	4.800	124,665
23	0.73	1,971,915	1,443,540	70,433	12	845,197	598,343	5.154	116,087
24	0.73	1,971,915	1,443,540	70,433	12	845,197	598,343	5.535	108,098
25	0.73	1,971,915	1,443,540	70,433	12	845,197	598,343	5.944	100,659
26	0.81	1,971,915	1,587,894				1,587,894	6.384	248,749
27	0.81	1,971,915	1,587,894			21,129,925	1,587,894	6.855	231,632
28	0.81	1,971,915	1,587,894				1,587,894	7.362	215,692
29	0.81	1,971,915	1,587,894				1,587,894	7.906	200,849
30	0.81	1,971,915	1,587,894				1,587,894	8.490	187,028
31	0.89	1,971,915	1,746,684				1,746,684	9.118	191,573
32	0.89	1,971,915	1,746,684				1,746,684	9.791	178,390
33	0.89	1,971,915	1,746,684				1,746,684	10.515	166,114
34	0.89	1,971,915	1,746,684				1,746,684	11.292	154,683
35	0.89	1,971,915	1,746,684				1,746,684	12.126	144,039
36	0.97	1,971,915	1,921,352				1,921,352	13.023	147,540
37	0.97	1,971,915	1,921,352				1,921,352	13.985	137,387
38	0.97	1,971,915	1,921,352				1,921,352	15.018	127,933
39	0.97	1,971,915	1,921,352				1,921,352	16.128	119,129
40	0.97	1,971,915	1,921,352				1,921,352	17.320	110,931
TOTALS--->			$56,376,487				35,246,562		5,738,538

A) INCREASE RENT AT 5 YEAR INTERVALS: CREDIT COMPOUNDED AT 7.39%/YR FOR NEW CREDIT.

B) CREDIT = $9,683,236 PRINCIPAL

25 YEARS X 12 MONTHS/YR TOTALS 300 MONTHLY CREDITS
INTEREST EQUALS 7.39%/ANNUM
MONTHLY CREDIT = $70,433
ANNUAL CREDIT = $70,433 X 12 = $845,197

(Continued from page 27827)

On motion of Alderman Cullerton, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City") owns and operates Chicago O'Hare International Airport ("Airport") and possesses the power and authority to grant leases with respect thereto; and

WHEREAS, Eastern Air Lines, Inc. ("Eastern") and the City have entered into a Hangar and Hangar Site Lease dated as of January 1, 1959, as amended ("Lease"); and

WHEREAS, Eastern and United Air Lines, Inc. ("United") have entered into a Definitive Agreement dated August 22, 1990 and amended on October 26, 1990 ("Definitive Agreement") pursuant to which Eastern agrees to assign the lease and the hangar facility referred to therein ("Hangar Facility") to United; and

WHEREAS, Eastern and United desire to enter into an Assignment and Assumption Agreement pursuant to which Eastern assigns and transfers the Lease and Hangar Facility to United and United purchases, acquires, assumes, and accepts all rights and obligations of Eastern in and to the Lease and the Hangar Facility ("Assignment Agreement"); and

WHEREAS, Eastern and United desire that the City consent to the Assignment Agreement; and

WHEREAS, United has covenanted directly with the City to assume and accept all of Eastern's obligations and agrees to be bound by all of Eastern's covenants in connection with the Lease and the Hangar Facility; and

WHEREAS, The City is willing to consent to the Assignment Agreement; now, therefore,

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

SECTION 1. On behalf of the City, the Mayor or his Proxy, subject to attestation by the City Clerk, approval by the Commissioner of Aviation and the City Comptroller, and by the Corporation Counsel as to form and legality, is hereby authorized to execute a document ("Consent") by which the City consents to the Assignment Agreement in substantially the form set forth in the Definitive Agreement, attached hereto as Exhibit A. City's Consent shall be in substantially the form attached hereto as Exhibit B.

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

Exhibits "A" and "B" attached to this ordinance read as follows:

Exhibit "A".

Assignment And Assumption Agreement.

This Assignment and Assumption Agreement (this "Agreement"), dated as of _____________, 1990, is made by and between United Air Lines, Inc., a Delaware corporation ("United"), and Martin R. Shugrue, Jr., as trustee for the estate of Eastern Air Lines, Inc., a Delaware corporation ("Eastern").

Witnesseth:

Whereas, Eastern and United entered into a Memorandum of Understanding, dated August 22, 1990, as amended on October ____, 1990, (the "M.O.U."), pursuant to which Eastern agreed to sell, transfer and assign to United, and United agreed to purchase, assume and acquire from Eastern, Eastern's leasehold interests for a hangar facility at O'Hare International Airport;

Now, Therefore, In consideration of the mutual covenants and agreements contained herein, and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment and Assumption. Eastern hereby sells, assigns, transfers and sets over to United, and United hereby purchases, acquires, assumes and accepts, all rights and obligations of Eastern in and to the assests set forth below (the "Eastern Assets"):

(a) Hangar and Hangar Site Lease, dated January 1, 1959, as amended, between Eastern and the City of Chicago, and the hangar facility subject thereto.

2. Grant of Rights. United hereby grants to Eastern the rights, and Eastern hereby assumes the obligations, set forth in subclauses (a) and (b) of paragraph 1 of the M.O.U.

3. Disclaimer. Eastern Hereby Disclaims All Warranties And Representations With Respect To The Condition Of The Eastern Assets And Transfers To United The Eastern Assets As Is, Where Is, And United Hereby Waives, Releases And Renounces All Rights, Claims And Remedies It May Have Against Eastern For The Condition Of, Or Defects In, the Eastern Assets, Including, Without Limitation, Any And All Warranties, Expressed Or Implied, Arising By Law Or Otherwise, Including Any Implied Warranty Of Merchantability Or Fitness Of Use, Course Of Performance Of Dealing Or Usage Of Trade And Strict Liability.

Memorandum of Understanding and Amendment No. 1 to Memorandum of Understanding attached to this Exhibit "A" read as follows:

Memorandum Of Understanding.

August 22, 1990.

Mr. J. Richard Street
Vice President -- Airport Affairs
United Air Lines, Inc.
P.O. Box 66100
Chicago, Illinois 60666

RE: Memorandum of Understanding on Eastern's Hangar at ORD and exchange of certain premises at MSY.

Dear Rick:

This letter sets forth the mutual agreement of Martin R. Shugrue, Jr., as Trustee for the estate of Eastern Air Lines, Inc., ("Eastern") and United Air Lines, Inc. ("United") to (a) effect the sale, conveyance and assignment of Eastern's right, title and interest in and to that certain Hangar and Hangar Site Lease dated January 1, 1959, as amended, between Eastern and the City of Chicago (the "Hangar Lease") relating to Eastern's hangar at O'Hare International Airport (the "Hangar") to United and (b) to effect the exchange by the parties of their respective interest in and to certain premises at New Orleans International Airport. Subject to the terms and conditions set forth herein, the parties hereto evidence their understanding and agreement as follows:

1. ORD Maintenance Hangar. Eastern shall sell, transfer and assign to United, and United shall purchase, assume and acquire from Eastern, Eastern's right, title and interest in and to the Hangar Lease and Hangar. The conveyance of the Hangar shall be in an "As Is" condition. After the Closing (as defined below), United shall grant Eastern the following rights with respect thereto:

a) United shall grant Eastern reasonable usage of the triturator, at no charge to Eastern, for as long as the triturator is in service; and

b) In the event Eastern's aircraft require unscheduled maintenance service at ORD, United will use its best efforts to provide, at no cost to Eastern, an aircraft parking space at United's ORD hangars or cargo building (the "United Facilities") in order for Eastern to provide such maintenance service on its aircraft and Eastern agrees to use its best efforts to minimize the time required to perform such maintenance.

In addition, should Eastern require additional services such as manpower, parts or equipment from United coincident with such maintenance service, and United is willing and able to perform such services, United will perform such services requested by Eastern and Eastern shall compensate United for such services in accordance with United's usual and customary charges.

Eastern will indemnify, defend and hold harmless United from and against any and all claims, liabilities, damages and judgments, including costs and expenses incident thereto, which may be suffered by, accrued against, be charged to or be recovered from United by reason of claims for death, injury or loss of property arising out of Eastern's use of the United Facilities; provided, however, such indemnity shall not apply to any such claims, damages, liabilities and judgments which arise from the gross negligence or willful misconduct of United.

2. Exchange of Facilities at M.S.Y. Eastern and United agree to exchange their respective rights, title and interest in and to the premises identified below (the "Premises") at the New Orleans International Airport which relate to the ticket counter, back office space and baggage make-up space, as described and depicted in Attachment A hereto. The exchange of the Premises shall be accomplished by either (i) the amendment of the parties' respective lease agreements with the New Orleans Aviation Board (the "Lease Agreements") which relate to the Premises, or (ii) the sublease of the Premises under the parties' respective Lease Agreements. Notwithstanding the exchange of Premises as set forth above, each party will retain its baggage service space and will accept the other's outbound baggage system in an "As Is" condition provided, however, such outbound baggage system shall be operational at the time of the Closing.

United shall perform all relocation, reconfiguration, remodeling and related services with respect to the exchange of Premises including, without limitation, the relocation and reinstallation of Eastern's equipment, furnishings and fixtures in order to provide Eastern with replacement facilities on a "turn key" basis which are comparable (subject to the reduction in square footage) to Eastern's existing facilities. The costs incurred for such relocation, reconfiguration and remodeling set forth above shall be borne solely by United (the "R. & R. Costs"). The parties shall cooperate in determining the scope of work to accomplish such relocation and such relocation, reconfiguration and remodeling shall be performed to Eastern's reasonable satisfaction.

3. Purchase Price and Payment. In addition to the R. & R. Costs which shall be borne by United, United shall pay to Eastern the sum of Seven Million Five Hundred Thousand Dollars ($7,500,000.00) (the "Purchase Price") as consideration and compensation to Eastern for the ORD and M.S.Y. transactions described herein. Payment of the Purchase Price shall be made by United to Eastern on the day of the Closing by wire transfer to an account designated by Eastern.

4. Closing. The Closing of the transactions described herein (the "Closing") shall take place at such time and location as shall be fixed by

mutual agreement of the parties, but not later than ten (10) days after the satisfaction or waiver of the last of the conditions to be waived or satisfied pursuant to paragraph 5 below.

5. Conditions to Closing. The obligations of the parties to proceed with the Closing shall be subject to the satisfaction (unless otherwise waived), at or prior to Closing, of the conditions set forth below:

a) The bankruptcy court having jurisdiction over Eastern's bankruptcy proceedings shall have entered a final order (i) authorizing Eastern to perform its obligations and exercise its rights under the Definitive Agreement (as defined below), and to take such actions necessary to consummate the transactions contemplated hereby, including the assumption of agreements to be assigned or amended hereunder and (ii) providing that the sale, conveyance and assignment of the Hangar and Premises are binding on Eastern, all known creditors of Eastern, all known shareholders of Eastern, and all other known persons having or asserting a claim against or an interest in Eastern, the Hangar Lease, Hangar, Premises, or any other asset which pertains to the transactions contemplated hereunder; and

b) The consent of the landlord under United's Lease Agreement to either (1) the amendment of such Lease Agreement in order to reflect the exchange of the Premises or (ii) the sublease of the Premises under such Lease Agreement.

The foregoing sets forth the only approvals and consents required for the Closing and the parties agree that the consent of the lessor of the Hangar Lease for the assignment thereof shall not be required for the Closing.

6. Conditions Precedent. The obligations of the parties to consummate the transactions contemplated hereby (in addition to the conditions contained in paragraph 5 above) shall be subject to Eastern and United reaching a definitive agreement in accordance with the terms hereof (the "Definitive Agreement") not later than thirty (30) days from the date of this letter, unless otherwise extended by the mutual consent of the parties.

If this letter accurately sets forth the agreement of United on this matter, please indicate your acceptance by signing below and returning an original executed copy of this letter to my office.

Sincerely,

Martin R. Shugrue, Jr., as Trustee
for the Estate of Eastern Air Lines, Inc.

By: (Signed) R. Craig Cooper
Staff Vice President,
Properties & Facilities

Agreed To And Accepted By:

United Air Lines, Inc.

By: (Signed) J. Richard Street
Vice President,
Airport Affairs

Amendment No. 1 To Memorandum Of Understanding.

October 26, 1990.

Mr. J. Richard Street
Vice President -- Airport Affairs
United Air Lines, Inc.
P.O. Box 66100
Chicago, Illinois 60666

Re: Amendment No. 1 to Memorandum of Understanding dated August 22, 1990 (the "M.O.U.")

Dear Rick:

This letter sets forth Eastern's and United's agreement to amend the above-referenced agreement. Unless the context otherwise requires, the terms used herein shall have the same meaning as defined in the M.O.U. The parties agree to amend the M.O.U. as follows:

1. Definitive Agreement. The parties agree that the M.O.U. as modified and amended by this Agreement shall constitute the Definitive Agreement pursuant to the requirements of paragraph 6 of the M.O.U.

2. Conveyance Documents. On the Closing, the below documents shall constitute the conveyance documents to be executed by the parties to reflect the transfer and assumption of the interests and obligations conveyed at the Closing:

(a) "Assignment and Assumption Agreement", in substantially the form attached hereto as Exhibit A, for the transfer of the Hangar Lease and Hangar as set forth on Exhibit A.

(b) In addition, each party will take such reasonable action and cause to be prepared, executed and delivered at the Closing all other appropriate and customary documents as the other party or its counsel may reasonably request for the purpose of consummating the transactions contemplated by the M.O.U. and effectuating the assignment contained in and contemplated thereby.

3. Relocation and Reconfiguration. With respect to the exchange of Premises pursuant to paragraph 2 of the M.O.U., the parties agree that (i) the Premises to be exchanged shall be as described in Exhibit B attached hereto and (ii) the outline of relocation responsibilities and renovation plan both of which are attached hereto as Exhibit C shall be the operative document for establishing the scope of work to be performed and paid for by United for the reconfirmation, remodeling and related services in connection with the relocation of Eastern's Premises at M.S.Y. Further, in the event the parties cannot obtain the consent of the New Orleans Aviation Board to amend the parties' respective Lease Agreements on or prior to the Closing to reflect the exchange of Premises as of the date of beneficial occupancy after the relocation is complete, the parties shall enter into sublease agreements to sublease their respective Premises to the other.

If the foregoing accurately sets forth United's agreement on amending the M.O.U., please indicate your acceptance by signing below and returning an original executed copy of this letter to my office.

Very truly yours,

R. Craig Cooper,
Staff Vice President --
Properties & Facilities

Attachments:

Exhibit A -- Assignment and Assumption Agreement

Exhibit B -- Description of Premises to be exchanged by Eastern and United

Exhibit C -- Outline of Relocation Responsibilities

Agreed To And Accepted By:

United Air Lines, Inc.

By: (Signed) J. C. Pope
Executive Vice President
Marketing and Finance
and Chief Financial Officer

[Exhibits "A", "B" and "C" attached to this Amendment No. 1 to Memorandum of Understanding unavailable at time of printing.]

Exhibit "B".

Consent To Assignment And Assumption Of Lease.

The undersigned City of Chicago, as the landlord under that certain Hangar and Hangar Site Lease dated as of January 1, 1959, as amended ("Lease") with Eastern Air Lines, Inc., ("Eastern"), of the hangar facility described therein ("Hangar Facility"), hereby consents to the assignment by Eastern and assumption by United Air Lines, Inc. ("United") of the Lease and Hangar Facility as set forth in the preceding Assignment and Assumption Agreement between Eastern and United. Notwithstanding any agreement between Eastern and United to the contrary, the City's consent to assignment and assumption of the Lease is conditioned on the assumption by United of all terms and conditions and duties and liabilities of Eastern under the Lease.

In Witness Whereof, The City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago.

Attest: City of Chicago

________________________ ________________________

City Clerk Mayor

Approved:

____

Commissioner of Aviation

____

Comptroller

Approved As To Form And Legality:

Assistant Corporation Counsel

COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS.

REPROGRAMMING OF YEAR XVI COMMUNITY DEVELOPMENT BLOCK GRANT SALVAGE FUNDS NECESSARY FOR DEMOLITION ACTIVITIES WITHIN DEPARTMENT OF BUILDINGS.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing the reprogramming of Year XVI Community Development Block Grant funds from salvage necessary for demolition activities within the Department of Buildings, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City Council of the City of Chicago passed an ordinance on December 6, 1989, which set forth procedures for the Community Development Block Grant Program requiring that the City shall not reprogram funds in excess of $25,000 appropriated for any object or purpose set forth in the Community Development Block Grant Ordinance or allocations from prior block grants without the approval of the City Council; and

WHEREAS, The City has allocated $2,325,687 of Year XVI Community Development Block Grant funds to the Department of Buildings for the Code Enforcement Program; and

WHEREAS, The Commissioner of the Department of Buildings requests the reprogramming of $1,000,000 from C.D.B.G. Year XVI salvage to cover amounts needed for its program of demolishing residential frame structures in Emergency Demolition; now, therefore,

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

SECTION 1. The sum of $1,000,000 of Community Development Block Grant Year XVI salvage funds be reprogrammed within the Year XVI program budget of the Department of Buildings. The $1,000,000 will be reprogrammed into the Demolition account (.0528) of the Code Enforcement Program.

SECTION 2. This ordinance shall be in force and effect from and after its passage.

AMENDMENT OF 1990 ANNUAL APPROPRIATION ORDINANCE, AS AMENDED, WITHIN MOTOR FUEL TAX FUND.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing an amendment to the 1990 Annual Appropriation Ordinance, as amended, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit of government and as such may exercise any power and perform any function pertaining to its government and affairs; now, therefore,

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

SECTION 1. The Annual Appropriation Ordinance for the Year 1990, as amended, is hereby further amended by striking the words and figures indicated and by inserting the words and figures indicated below:

310 -- Motor Fuel Tax Fund

Amendments To 1990 Annual Appropriation Ordinance.

Code	Department and Item	Strike No. Amount	Insert No. Amount
	Department Of Public Works 83/1025		
.9500	Section 2046: Traffic Signal Installation. For General Purposes; to be expended under the direction of the City Council	$ 610,000.00	$ 735,000.00
	Office Of Budget And Management 05/1005		
.9500	Section 2005: For General Purposes; to be expended under the direction of the City Council. Department of Streets and Sanitation 81/1025	$3,590,000.00	$3,440,000.00
	Department Of Streets And Sanitation 81/1025		

Code	Department and Item	Strike No. Amount	Insert No. Amount
.9500	Section 2032: Street Light and Traffic Signal Maintenance. For General Purposes; to be expended under the direction of the City Council.	$1,350,000.00	$1,375,000.00

SECTION 2. This ordinance shall be in force and effect from and after its passage.

ALLOCATION OF MOTOR FUEL TAX FUNDS FOR ENGINEERING AND INSTALLATION OF TRAFFIC CONTROL SIGNALS AT WEST DIVISION STREET AND NORTH CLEAVER STREET.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing the allocation of Motor Fuel Tax funds for engineering and installation of traffic control signals at the intersection of West Division Street and North Cleaver Street, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. Authority is hereby given to the Commissioner of Public Works to provide for the engineering and installation of traffic control signals as follows, to be paid for out of that part of the Motor Fuel Tax funds which have been or may be allotted to the City of Chicago:

Intersection	Estimated Cost
West Division Street and North Cleaver Street	$125,000

SECTION 2. Motor Fuel Tax funds allocated for this project shall not be transferred to any other Motor Fuel Tax project or Motor Fuel Tax funds allocated for any other project shall not be transferred to this project, in either instance, without prior approval of the City Council.

Upon certification of the completion of this project by the State of Illinois, Department of Transportation, this project shall be terminated by ordinance and any remaining Motor Fuel Tax funds allocated shall be returned to the Motor Fuel Tax Fund.

SECTION 3. The City Comptroller shall set up a separate account for this project. The Commissioner of Public Works shall not expend or authorize the payment of any vouchers in excess of the amount shown without having had the prior approval of the City Council.

SECTION 4. The operating department shall maintain a separate ledger account for each project utilizing standard account classifications acceptable under generally accepted accounting principles with all charges for direct and indirect expenses delineated, categorized and detailed for each such project.

SECTION 5. The City Comptroller and the City Treasurer are authorized and directed to make disbursements from said fund when properly approved by the Commissioner of Public Works.

SECTION 6. The City Clerk is directed to transmit two (2) certified copies of this ordinance to the Department of Transportation of the State of Illinois, through the District Engineer for District 1 of said Department of Transportation.

SECTION 7. This ordinance shall be in force and effect from and after its passage.

AMENDMENT OF ORDINANCE WHICH AUTHORIZED EXPENDITURE OF MOTOR FUEL TAX FUNDS BY INCREASING ALLOCATION FOR STREET LIGHT AND TRAFFIC SIGNAL MAINTENANCE DURING YEAR 1990.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance amending an ordinance passed February 7, 1990 (Council Journal of Proceedings page 11081) authorizing an increase in the allocation of Motor Fuel Tax funds necessary for street lights and traffic signal maintenance during 1990, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. That the Motor Fuel Tax Ordinance passed by the City Council on February 7, 1990 appearing on page 11081 of the Journal of Proceedings be amended by increasing the allocation of Motor Fuel Tax funds from $1,350,000 to $1,375,000:

Section 1. Authority is hereby given to the Commissioner of Streets and Sanitation to expend the sum of $1,375,000 from that portion of the Motor Fuel Tax Fund which has been or may be allocated to the City of Chicago for the purchase of materials and supplies for maintenance of traffic signals and street lighting systems on municipal streets and county and state highways for the period commencing January 1, 1990 and ending December 31, 1990.

Section 2. Motor Fuel Tax funds allocated for this project shall not be transferred to any other Motor Fuel Tax project or Motor Fuel Tax funds allocated for any other project shall not be transferred to this project, in either instance, without the prior approval of the City Council.

Section 3. The City Comptroller shall set up a separate account for this project. The Commissioner of Streets and Sanitation shall not expend or authorize the expenditure in excess of the amount shown and the City Comptroller shall not authorize the payment of any vouchers in excess of the amount shown without having had the prior approval of the City Council.

Section 4. The operating department shall maintain a separate ledger account for each project utilizing standard account classifications acceptable under generally accepted accounting principles with all charges for direct and indirect expenses delineated, categorized and detailed for each such project.

Section 5. The City Comptroller and the City Treasurer are authorized and directed to make disbursements from said fund when properly approved by the Commissioner of Streets and Sanitation.

Section 6. The City Clerk is directed to transmit two (2) certified copies of this ordinance to the Division of Highways, Department of Transportation of the State of Illinois, through the District Engineer of District 1 of said Department of Transportation.

Section 7. This ordinance shall be in force and effect from and after its passage.

SECTION 2. This ordinance shall be in force and effect from and after its passage.

TRANSFER OF FUNDS AUTHORIZED FOR YEAR 1990 WITHIN DEPARTMENT OF AVIATION, CHICAGO MIDWAY AIRPORT FUND ($100,000.00).

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds for the year 1990 within the Department of Aviation, Chicago Midway Airport Fund, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1990. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1990 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
Rental of Equipment and Services	610	85-2010	0157	$100,000

TO:

Purpose	Fund	Code Department	Account	Amount
For Services Provided by the Department of Public Works	610	85-2010	9401	$100,000

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations within the Department of Aviation, Chicago Midway Airport Fund during the year 1990.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF FUNDS AUTHORIZED FOR YEAR 1990 WITHIN DEPARTMENT OF AVIATION, CHICAGO MIDWAY AIRPORT FUND.
($200,000.00)

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds for the year 1990 within the Department of Aviation, Chicago Midway Airport Fund, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1990. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1990 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
Rental of Equipment and Services	610	85-2010	0157	$200,000

TO:

Purpose	Fund	Code Department	Account	Amount
Materials and Supplies	610	85-2010	0340	$200,000

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations in the Department of Aviation, Chicago Midway Airport Fund during the year 1990.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF FUNDS AUTHORIZED FOR YEAR 1990 WITHIN DEPARTMENT OF AVIATION, CHICAGO O'HARE INTERNATIONAL AIRPORT FUND.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds for the year 1990 within the Department of Aviation, Chicago O'Hare International Airport Fund, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1990. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1990 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
Rental of Equipment and Services	740	85-2015	0157	$1,500,000
For Purchase of Equipment	740	85-2015	0173	$1,000,000

TO:

Purpose	Fund	Code Department	Account	Amount
Material and Supplies	740	85-2015	0340	$2,500,000

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations within the Department of Aviation, Chicago-O'Hare International Airport Fund during the year 1990.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF FUNDS AUTHORIZED FOR YEAR 1990 WITHIN CITY COUNCIL COMMITTEE ON HOUSING, LAND ACQUISITION, DISPOSITION AND LEASES.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds for the year 1990 within the City Council Committee on Housing, Land Acquisition, Disposition and Leases, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1990. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1990 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
For Personal Services	100	15-2080	0000	$2,636.65
For Contractual Services	100	15-2080	0100	$1,306.60
For Travel	100	15-2080	0200	$1,000.00
For Commodities and Materials	100	15-2080	0300	$ 6.75

TO:

Purpose	Fund	Code Department	Account	Amount
For Contingencies	100	15-2080	0700	$4,950.00

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations within the City Council Committee on Housing, Land Acquisition, Disposition and Leases during the year 1990.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF FUNDS AUTHORIZED FOR YEAR 1990 WITHIN CITY COUNCIL COMMITTEE ON HUMAN RIGHTS AND CONSUMER PROTECTION.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds for the year 1990 within the City Council Committee on Human Rights and Consumer Protection, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1990. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1990 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
For Commodities and Materials	100	15-2090	0300	$1,875.00
For Contractual Services	100	15-2090	0100	$ 150.00

TO:

Purpose	Fund	Code Department	Account	Amount
For Personal Services	100	15-2090	0000	$2,025.00

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations within the City Council Committee on Human Rights and Consumer Protection during the year 1990.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF FUNDS AUTHORIZED FOR YEAR 1990 WITHIN CITY COUNCIL COMMITTEE ON HEALTH.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds for the year 1990 within the City Council Committee on Health, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1990. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1990 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
For Contractual Services	100	15-2075	0100	$1,500.00
For Travel	100	15-2075	0200	$ 113.00

TO:

Purpose	Fund	Code Department	Account	Amount
For Commodities and Materials	100	15-2075	0300	$ 113.00
For Contingencies	100	15-2075	0700	$1,500.00

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations within the City Council Committee on Health during the year 1990.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF FUNDS AUTHORIZED FOR YEAR 1990 WITHIN CITY COUNCIL COMMITTEE ON AGING AND DISABILITY.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds for the year 1990 within the City Council Committee on Aging and Disability, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1990. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1990 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
For Personal Services	100	15-2150	0000	$3,000.00
For Contractual Services	100	15-2150	0100	$ 200.00
For Contingencies	100	15-2150	0700	$ 500.00

TO:

Purpose	Fund	Code Department	Account	Amount
For Commodities and Materials	100	15-2150	0300	$3,700.00

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations within the City Council Committee on Aging and Disability during the year 1990.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

AMENDMENT TO 1990 ANNUAL APPROPRIATION ORDINANCE, AS AMENDED, NECESSARY FOR SPECIFIC PURPOSES.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing an amendment to the 1990 Annual Appropriation Ordinance, as amended, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The management of its finances is a matter pertaining to the government and affairs of the City of Chicago; now, therefore,

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

SECTION 1. The Annual Appropriation Ordinance for the Year 1990, as amended, is hereby further amended by striking the words and figures indicated and inserting the words and figures as indicated in the attached Exhibit "A".

SECTION 2. This ordinance shall take effect after its passage and publication.

Exhibit "A" attached to this ordinance reads as follows:

Exhibit "A".

Amendments To The 1990 Annual Appropriation Ordinance.

100 -- Corporate Fund

Page	Code	Department And Item	Strike No. Amount	Insert No. Amount
		Finance General -- 99		
		Other Operating Expenses -- 2005		
	.0957	Cost of Issuance for Daily Tender Notes	$3,600,000	$2,500,000
	.0984	Taxes and Assessments		$1,100,000

AMENDMENT TO 1991 ANNUAL APPROPRIATION ORDINANCE, AS AMENDED, NECESSARY FOR SPECIFIC PURPOSES.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing an amendment to the 1991 Annual Appropriation Ordinance, as amended, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The management of its finances is a matter pertaining to the government and affairs of the City of Chicago; now, therefore,

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

SECTION 1. The Annual Appropriation Ordinance for the Year 1991, as amended, is hereby further amended by striking the words and figures indicated and inserting the words and figures indicated, as indicated in the attached Exhibits "A" and "B".

SECTION 2. This ordinance shall take effect after its passage and publication.

Exhibits "A" and "B" attached to this ordinance read as follows:

Exhibit "A".

Amendments To The 1991 Annual Appropriation Ordinance.

100 -- Corporate Fund

Page	Code	Department And Item	Strike No. Amount	Insert No. Amount
		Department Of Public Works -- 83		
		Bureau of Bridge Operations and Maintenance -- 2062		
	0160	Repair or Maintenance of Property	$2,250,000	$ 50,000
		Finance General -- 99		
		Other Operating Expenses -- 2005		
	0957	Cost of Issuance for Daily Tender Notes	$3,278,000	$2,934,000

Page	Code	Department And Item	Strike No. Amount	Insert No. Amount
		Department Of General Services -- 38		
		Commissioners Office -- 2005		
	0155	Rental of Property		$2,544,000

Exhibit "B".

Amendments To The 1991 Annual Appropriation Ordinance.

310 -- Motor Fuel Tax Fund

Page	Code	Department And Item	Strike No. Amount	Insert No. Amount
		Office Of Budget And Management -- 05		
		Office of Budget and Management -- 2005		
	0902	For Interest on Bonds	$8,880,000	$ 6,500,000
	9500	For General Purposes: To be Expended Under the Direction of the City Council	$3,810,000	$3,990,000
		Department Of Public Works -- 83		
		Bridge Maintenance -- 2036		

Page	Code	Department And Item	Strike No. Amount	Insert No. Amount
	9500	For General Purposes: To be Expended Under the Direction of the City Council	$5,800,000	$8,000,000

INSTALLATION OF WATER MAINS AT VARIOUS LOCATIONS.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration three (3) orders (under separate committee reports) authorizing the installation of water mains at various locations, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed orders transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed orders transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following are said orders as passed (the italic heading in each case not being a part of the order):

Portion Of West Elston Avenue.

Ordered, That the Commissioner of Water is hereby authorized to install 592 feet of 8-inch ductile iron water main in West Elston Avenue, from North Markham Avenue to North Mason Avenue, at a total estimated cost of $97,426.50 chargeable to Appropriation Account Number 200-87-3120-0550 (W-706) Construction.

The above work is to be done under order number A-00999.

Portion Of South Yale Avenue.

Ordered, That the Commissioner of Water is hereby authorized to install water mains in South Yale Avenue, from West 120th Street to 575 feet south of the south line of West 120th Street: 668 feet of 8-inch ductile iron water main, at a total estimated cost of $114,206.76 chargeable to the Capital Improvement Account Number 200-87-3120-0550 (W-706) Construction.

The above work is to be done under order number A-00997.

Portion Of East 75th Street.

Ordered, That the Commissioner of Water is hereby authorized to install water mains in East 75th Street, from South South Shore Drive to South Lake Park Avenue: 515 feet of 8-inch ductile iron water main, at a total estimated cost of $106,668.00 chargeable to Appropriation Account Number 200-87-3120-0550 (W-706) Construction.

The above work is to be done under order number A-00998.

COMMITTEE ON CLAIMS AND LIABILITIES.

AUTHORIZATION OF SUNDRY CLAIMS FOR CONDOMINIUM REFUSE REBATES.

The Committee on Claims and Liabilities submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Claims and Liabilities, to which was referred March 21, 1990 and subsequently, sundry claims for condominium refuse rebates, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) JOSEPH S. KOTLARZ,
Chairman.

On motion of Alderman Kotlarz, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is authorized and directed to pay the following named claimants the respective amounts set opposite their names, said amount to be paid in full as follows, and charged to Account No. 100-99-2005-0939-0939:

[List of claimants printed on pages 27874 through 27876 of this Journal.]

COMMITTEE ON ECONOMIC DEVELOPMENT.

APPROVAL OF PROPERTY AT 3644 -- 3658 WEST FLOURNOY STREET AS CLASS 6(b) AND ELIGIBLE FOR COOK COUNTY TAX INCENTIVES.

The Committee on Economic Development submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

(Continued on page 27877)

CITY OF CHICAGO
COMMITTEE ON CLAIMS AND LIABILITY
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 12/19/90

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELGIBLE UNITS	TYPE	AMOUNT OF REBATE	******* SPONSOR ******************	
ACADEMY TOWNHOMES ASSOCIATION	24	ANNUAL	1,056.00	MICHAEL F. SHEAHAN	19
ADDISON MANOR CONDOMINIUM	12	SEMI-ANNUAL	450.00	WILLIAM JP BANKS	36
ADDISON POINT CONDO. ASSN.	34	SEMI-ANNUAL	1,200.00	WILLIAM JP BANKS	36
ARGYLE APT. BLDG. COOPERATIVE	24	ANNUAL	1,800.00	MARY ANN SMITH	48
ARGYLE ESTATES CONDO. ASSN.	6	SEMI-ANNUAL	225.00	EUGENE C. SCHULTER	47
ASHLAND TOWERS CONDOMINIUM	38	ANNUAL	1,920.00	JESSE J. EVANS	21
ASTOR VILLA CONDOMINIUM ASSN.	50	SEMI-ANNUAL	1,630.82	PATRICK J. LEVAR	45
ASTOR-BANKS CONDOMINUM ASSN.	12	SEMI-ANNUAL	450.00	EDWIN W., EISENDRATH	43
AUSTIN MANOR CONDO ASSOC.	16	ANNUAL	1,200.00	PATRICK J. LEVAR	45
BARCLAY CONDOMINIUM	83	SEMI-ANNUAL	1,560.00	TIMOTHY C. EVANS	04
BARRY AVENUE TOWNHOUSES	12	SEMI-ANNUAL	450.00	BERNARD J. HANSEN	44
BELMONT CONDOMINIUM ASSN.	9	SEMI-ANNUAL	337.50	BERNARD J. HANSEN	44
CARL SANDBURG VILLAGE	566	SEMI-ANNUAL	10,740.00	BURTON F. NATARUS	42
CHASELAND CONDOMINIUM ASSOC.	27	SEMI-ANNUAL	720.00	DAVID D. ORR	49
CHATEAU LEMANS CONDO. ASSN.	7	ANNUAL	525.00	DAVID D. ORR	49
CHESTERFIELD ON TOUHY CONDO	60	SEMI-ANNUAL	2,250.00	BERNARD L. STONE	50
CLARENDON LAKESIDE CONDO. ASSN	6	ANNUAL	450.00	HELEN SHILLER	46
COLUMBIA HOMEOWNERS ASSOC.	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
COMMONWEALTH PLAZA CONDO. ASSN	370	SEMI-ANNUAL	11,656.50	BERNARD J. HANSEN	44
DAMEN PARK CONDOMINIUM CORP.	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
DELAWARE BLDG. CORP.	14	SEMI-ANNUAL	525.00	BURTON F. NATARUS	42
DREXEL SQUARE CONDOMINIUM	24	SEMI-ANNUAL	900.00	TIMOTHY C. EVANS	04
EASTWOOD MANOR CONDO. ASSN.	7	ANNUAL	525.00	THOMAS W. CULLERTON	38
EDDYSTONE CONDOMINIUM HOMES.	80	SEMI-ANNUAL	3,000.00	BERNARD J. HANSEN	44
FARWELL COURTS CONDOMINIUM	9	SEMI-ANNUAL	337.50	DAVID D. ORR	49
FIFTEEN-THIRTY NORTH STATE	12	SEMI-ANNUAL	450.00	EDWIN W., EISENDRATH	43
FOSTER CONDOMINIUM ASSOCIATION	6	ANNUAL	450.00	PATRICK J O'CONNOR	40
GRANVILLE COURTS CONDO. ASSOC.	256	SEMI-ANNUAL	4,112.53	BERNARD L. STONE	50
GRANVILLE GARDENS CONDO ASSOC.	17	SEMI-ANNUAL	606.00	BERNARD L. STONE	50
GREENVIEW POINT CONDO. ASSN.	15	ANNUAL	527.87	BERNARD J. HANSEN	44
GREENWOOD WEST CO-OPERATIVE	36	ANNUAL	1,678.00	ARENDA TROUTMAN	20
HARPER SQUARE HOUSING CORP.	591	SEMI-ANNUAL	9,600.00	MARY ANN SMITH	48
IVY COURTE CONDOMINIUM ASSOC.	36	SEMI-ANNUAL	720.00	BERNARD L. STONE	50
KEYSTONE MANOR CONDOMINIUM	18	SEMI-ANNUAL	594.00	PATRICK J. LEVAR	45
LAFAYETTE PLAZA HOUSING COOP	196	SEMI-ANNUAL	2,598.00	ALLAN STREETER	17
LAKE POINT TOWER CONDO. ASSN.	874	SEMI-ANNUAL	32,775.00	BURTON F. NATARUS	42
LAKE SHORE LAND ASSOCIATION	16	SEMI-ANNUAL	600.00	BURTON F. NATARUS	42
LAKE TERRACE CONDOMINIUM	360	SEMI-ANNUAL	4,372.00	LAWRENCE S BLOOM	05
LARRABEE TERRACE CONDO. ASSN.	16	ANNUAL	1,200.00	EDWIN W., EISENDRATH	43
LINCOLN PARK TOWER CONDO	348	SEMI-ANNUAL	8,153.20	EDWIN W., EISENDRATH	43
LONDON TOWNE HOUSES	601	SEMI-ANNUAL	24,930.00	LORRAINE L DIXON	08
LUNT AVENUE CONDOMIUM AND	38	SEMI-ANNUAL	1,425.00	DAVID D. ORR	49
MARINA TOWERS CONDO ASSOC	896	SEMI-ANNUAL	33,600.00	BURTON F. NATARUS	42
NORTH DAMEN SQUARE CONDO ASSOC	38	SEMI-ANNUAL	840.00	BERNARD L. STONE	50
NORWOOD COURTS CONDOMINIUM	120	SEMI-ANNUAL	2,613.75	BERNARD L. STONE	50

CITY OF CHICAGO
COMMITTEE ON CLAIMS AND LIABILITY
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 12/19/90

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELGIBLE UNITS	TYPE	AMOUNT OF REBATE	******* SPONSOR *****************	
NOTTINGHAM MANOR CONDO ASSOC.	8	SEMI-ANNUAL	300.00	WILLIAM JP BANKS	36
ORCHARD GARDENS CONDO. ASSN.	8	ANNUAL	600.00	EDWIN W., EISENDRATH	43
OXFORD GLEN CONDO. ASSN.	13	ANNUAL	800.00	MARY ANN SMITH	48
PALMER COURTS ASSOCIATION	12	SEMI-ANNUAL	450.00	WILLIAM JP BANKS	36
PARK ASTOR CONDOMINIUM	67	SEMI-ANNUAL	2,235.00	EDWIN W., EISENDRATH	43
PARK CASTLE CONDOMINIUM ASSN.	69	SEMI-ANNUAL	2,587.50	BERNARD L. STONE	50
PARK GABLES APT HOMES INC.	72	SEMI-ANNUAL	2,160.00	BERNARD L. STONE	50
PARKSIDE ON CLARENDON	16	ANNUAL	1,200.00	HELEN SHILLER	46
RACINE COURTS COOPERATIVE	121	ANNUAL	9,075.00	LEMUEL AUSTIN	34
RIDGE ESTATE CONDOMINIUM ASSN.	24	SEMI-ANNUAL	876.00	BERNARD L. STONE	50
ROSEDALE CONDOMINIUM ASSN.	14	SEMI-ANNUAL	425.00	PATRICK J. LEVAR	45
ROSEMONT APARTMENTS CONDO.	36	SEMI-ANNUAL	930.00	BERNARD L. STONE	50
ROYDON MANOR CONDOMINIUM	18	ANNUAL	1,051.00	PATRICK J. LEVAR	45
SANS SOUCI CONDO - BOARD OF	36	SEMI-ANNUAL	1,350.00	PATRICK J. LEVAR	45
SOUTH SHORE CLUB CONDO ASSN.	16	ANNUAL	1,200.00	LAWRENCE S BLOOM	05
SUMMERDALE CONDOMINIUM	18	SEMI-ANNUAL	675.00	PATRICK J O'CONNOR	40
THE FLAZA ON DEWITT COND ASSC	407	SEMI-ANNUAL	6,494.00	MARY ANN SMITH	48
THE WELLINGTON CONDOMINIUM	106	SEMI-ANNUAL	3,060.00	BERNARD J. HANSEN	44
THE 400 CONDOMINIUM ASSOC	940	SEMI-ANNUAL	6,480.51	BURTON F. NATARUS	42
THIRTY EAST ELM CONDO ASSOC.	123	SEMI-ANNUAL	810.00	BURTON F. NATARUS	42
VICTORIAN LANDMARK CONDO.	32	ANNUAL	2,270.60	EDWIN W., EISENDRATH	43
WASHINGTON HOUSE CONDO ASSOC	41	SEMI-ANNUAL	1,537.50	THOMAS W. CULLERTON	38
WINDER LANE CONDO ASSOCIATION	48	SEMI-ANNUAL	1,124.00	PATRICK J. LEVAR	45
WINONA WALK CONDOMINIUM ASSN.	6	ANNUAL	450.00	MARY ANN SMITH	48
WINSTON TOWERS #5 CONDO ASSOC	218	SEMI-ANNUAL	3,813.00	BERNARD L. STONE	50
WINSTON TOWERS NO. 4 ASSN.	250	SEMI-ANNUAL	3,870.00	BERNARD L. STONE	50
WRIGHTWOOD-DAYTON CONDO. ASSN.	15	ANNUAL	1,125.00	EDWIN W., EISENDRATH	43
1000 CONDOMINIUM ASSOCIATION	135	ANNUAL	5,876.64	BURTON F. NATARUS	42
1010 LAKE SHORE DRIVE CONDO.	164	SEMI-ANNUAL	5,258.28	BURTON F. NATARUS	42
1054-56 W. NORTH SHORE CONDO	6	ANNUAL	450.00	DAVID D. ORR	49
1212 LAKE SHORE DRIVE CONDO.	180	SEMI-ANNUAL	4,662.50	EDWIN W., EISENDRATH	43
1219 AND 1220 CONDOMINIUM	6	SEMI-ANNUAL	210.00	TIMOTHY C. EVANS	04
1255 STATE PARKWAY CONDOMINIUM	62	SEMI-ANNUAL	2,325.00	ANTHONY C. LAURINO	39
132 DELAWARE PLACE CONDO.ASSN.	106	SEMI-ANNUAL	730.00	BURTON F. NATARUS	42
1430 LAKE SHORE DRIVE	24	SEMI-ANNUAL	900.00	EDWIN W., EISENDRATH	43
1517-19 ROSEMONT CONDO. ASSN.	6	ANNUAL	450.00	MICHAEL F. SHEAHAN	19
1540 LAKE SHORE DRIVE CORP.	29	ANNUAL	2,175.00	EDWIN W., EISENDRATH	43
155 HARBOR DRIVE CONDO ASSOC	742	SEMI-ANNUAL	12,923.00	FRED B. ROTI	01
161 CHGO. AVE. CONDO ASSOC.	292	SEMI-ANNUAL	2,912.60	BURTON F. NATARUS	42
1801 N. ORLEANS CONDOMINIUM	9	SEMI-ANNUAL	337.50	EDWIN W., EISENDRATH	43
201 E. CHESTNUT CONDO ASSOC.	128	SEMI-ANNUAL	3,870.00	BURTON F. NATARUS	42
2020 LINCOLN PRAK WEST CONDO.	433	SEMI-ANNUAL	7,110.10	EDWIN W., EISENDRATH	43
2130 LINCOLN PARK WEST CONDO	34	SEMI-ANNUAL	1,275.00	EDWIN W., EISENDRATH	43
220 E/ WALTON CONDO. ASSN.	19	SEMI-ANNUAL	712.50	BURTON F. NATARUS	42
227-237 EAST DELAWARE PL. CORP	44	SEMI-ANNUAL	1,650.00	BURTON F. NATARUS	42

CITY OF CHICAGO
COMMITTEE ON CLAIMS AND LIABILITY
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 12/19/90

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELGIBLE UNITS	TYPE	AMOUNT OF REBATE	******* SPONSOR ******************	
2500 N. LAKEVIEW ASSOCIATION	158	SEMI-ANNUAL	5,925.00	EDWIN W., EISENDRATH	43
2650 LAKEVIEW CONDO ASSOC	398	SEMI-ANNUAL	8,520.00	EDWIN W., EISENDRATH	43
2800 LAKE SHORE DR. CONDO	657	SEMI-ANNUAL	10,936.60	EDWIN W., EISENDRATH	43
2970 LAKE SHORE DRIVE CONDO.	106	SEMI-ANNUAL	2,727.00	BERNARD J. HANSEN	44
3180 CONDOMINIUM ASSOCIATION	174	SEMI-ANNUAL	2,040.00	BERNARD J. HANSEN	44
3300 N. LAKE SHORE DRIVE CONDO	85	SEMI-ANNUAL	3,187.50	BERNARD J. HANSEN	44
3314 CONDOMINIUM ASSOCIATION	30	SEMI-ANNUAL	657.85	BERNARD J. HANSEN	44
3600 CONDOMINIUM ASSOCIATION	640	SEMI-ANNUAL	9,120.00	HELEN SHILLER	46
3631 PINE GROVE CONDO. ASSN.	6	ANNUAL	450.00	BURTON F. NATARUS	42
3821 N. NARRAGANSETT CONDO.	9	SEMI-ANNUAL	337.50	THOMAS W. CULLERTON	38
3843 N. NARRAGANSETT CONDO.	8	ANNUAL	600.00	THOMAS W. CULLERTON	38
3900 LAKE SHORE DRIVE CONDO.	240	SEMI-ANNUAL	820.00	HELEN SHILLER	46
40/50 WEST SCHILLER STREET	19	ANNUAL	1,425.00	EDWIN W., EISENDRATH	43
4105-13 W. CULLOM CONDO. ASSN.	11	SEMI-ANNUAL	412.50	PATRICK J. LEVAR	45
4247-49 N. KEYSTONE CONDO INC	9	ANNUAL	675.00	PATRICK J. LEVAR	45
4248 N. KEYSTONE CONDO. ASSN.	9	SEMI-ANNUAL	300.00	PATRICK J. LEVAR	45
433 W. WELLINGTON CONDO ASSN.	8	SEMI-ANNUAL	300.00	BERNARD J. HANSEN	44
4436-38 NORTH MALDEN CONDO.	6	ANNUAL	450.00	HELEN SHILLER	46
4744 PAULINA CONDOMINIUM ASSN	10	ANNUAL	750.00	EUGENE C. SCHULTER	47
4850-54 N. LINDER BUILDING	18	SEMI-ANNUAL	648.00	PATRICK J. LEVAR	45
4939 SOUTH DORCHESTER CONDO.	31	ANNUAL	1,704.00	TIMOTHY C. EVANS	04
5100 HYDE PARK CONDOMINIUM	56	ANNUAL	3,144.00	TIMOTHY C. EVANS	04
5100 N. SHERIDAN ROAD CONDO.	40	SEMI-ANNUAL	1,360.00	MARY ANN SMITH	48
515 WRIGHTWOOD CONDO ASSOC.	78	SEMI-ANNUAL	1,577.66	EDWIN W., EISENDRATH	43
5510 WOODLAWN CONDO.	21	ANNUAL	1,512.00	LAWRENCE S BLOOM	05
560 ROSCOE BUILDING CONDO.ASSN	6	SEMI-ANNUAL	225.00	BERNARD J. HANSEN	44
607 W. BUCKINGHAM PLACE CONDO	6	SEMI-ANNUAL	225.00	BERNARD J. HANSEN	44
6500 NORTH RIDGE CONDO. ASSN.	22	ANNUAL	1,328.00	BERNARD L. STONE	50
6650 WEST 64TH PLACE CORP.	6	ANNUAL	450.00	WILLIAM F. KRYSTYNIAK	23
6718 W.64TH PLACE CORPORATION	6	ANNUAL	450.00	WILLIAM F. KRYSTYNIAK	23
700 CORNELIA CONDOMINIUM ASSN.	6	ANNUAL	450.00	HELEN SHILLER	46
7058-60 N. GREENVIEW CONDO.	6	ANNUAL	450.00	DAVID D. ORR	49
73 EAST ELM CONDO ASSOC.	48	SEMI-ANNUAL	1,800.00	BURTON F. NATARUS	42
7439-43 SOUTH COLES HOMEOWNERS	16	ANNUAL	972.00	LAWRENCE S BLOOM	05
833-35 BUCKINGHAM CONDO.ASSN.	8	SEMI-ANNUAL	300.00	BERNARD J. HANSEN	44
860 LAKE SHORE DRIVE TRUST	265	SEMI-ANNUAL	4,995.00	BURTON F. NATARUS	42
912-14 MARGATE TERR. CONDO.	6	ANNUAL	450.00	MARY ANN SMITH	48

(Continued from page 27873)

Your Committee on Economic Development, having had under consideration a proposed resolution introduced by Alderman Ed Smith (28th Ward) authorizing Class 6(b) tax incentives for the property located at 3644 -- 3658 West Flournoy Street, pursuant to the Cook County Real Property Classification Ordinance, begs leave to recommend that Your Honorable Body *Adopt* the said proposed resolution which is transmitted herewith.

This recommendation was concurred in by all members of the committee present with no dissenting votes.

Respectfully submitted,

(Signed) BERNARD J. HANSEN,
Chairman.

On motion of Alderman Hansen, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

WHEREAS, The Cook County Board of Commissioners has amended the Cook County Real Property Classification Ordinance as of October 1, 1984, to provide certain real estate tax incentives to property owners who build, rehabilitate, enhance and occupy property which is located in Cook County and used for manufacturing or industrial purposes; and

WHEREAS, The City of Chicago, consistent with the Cook County Real Property Classification Ordinance, wishes to induce industry to locate and expand in the City by offering financial incentives in the form of property tax relief; and

WHEREAS, The Elgin Honey-Hill Corporation is the owner of the property commonly known as 3644 -- 3658 West Flournoy Street, Chicago, Illinois (hereinafter referred to as the "subject property") with the expectation that said property would be eligible for Class 6(b) tax incentives pursuant to the Cook County Real Property Classification Ordinance as amended October 1, 1984; and

WHEREAS, The Permanent Index Numbers for the subject property are: 16-14-304-015-0000, 16-14-304-016-0000, 16-14-304-017-0000, 16-14-304-018-0000 and 16-14-500-083-0000; and

WHEREAS, The subject property is located within Enterprise Zone I; and

WHEREAS, The proposed addition to the subject property will be adjacent to the owner's existing plant and will consist of a multi-use building which will serve the following three functions: (1) one-third of the new building will house two fluid receiving bays and adjacent silo storage for raw fluid dairy products and sweeteners; (2) one-third of the new building will house expanded blending and support systems; and, (3) one-third of the new building will be a two bay tanker load-out room with adjacent silo storage for loading pasteurized mixes into tank trucks for transport to ice cream manufacturers; and

WHEREAS, New construction work is planned, and substantial sums have and will be expended to this purpose; and

WHEREAS, The new construction on, and use of, the subject property will provide significant present and future employment; and

WHEREAS, Notwithstanding the Class 6(b) status of the subject property, the new construction and utilization of the subject property will generate significant new revenues in the form of real estate and other tax revenues; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, hereby declare:

SECTION 1. We support and consent to the filing of a Class 6(b) application for the property located at 3644 -- 3658 West Flournoy Street, Chicago, Illinois, identified as Permanent Real Estate Index Numbers: 16-14-304-015-0000, 16-14-304-016-0000, 16-14-304-017-0000, 16-14-304-018-0000 and 16-14-500-083-0000; and

SECTION 2. The filing of a Class 6(b) application for the subject property is necessary for redevelopment to occur on the subject property and therefore the subject property is eligible and appropriate for Class 6(b) tax incentive benefits pursuant to the Cook County Real Property Classification Ordinance as amended October 1, 1984; and

SECTION 3. Pursuant to the Cook County Real Property Classification Ordinance, the City of Chicago, Illinois, hereby approves of the classification of the subject property as Class 6(b) property, and the Class 6(b) tax incentives shall apply to the property identified as Permanent Real Estate Index Numbers: 16-14-304-015-0000, 16-14-304-016-0000, 16-14-304-017-0000, 16-14-304-018-0000 and 16-14-500-083-0000; and

SECTION 4. The Clerk of the City of Chicago is authorized to and shall send a certified copy of this resolution to the Office of the Cook County Assessor, Room 312, County Building, Chicago, Illinois 60602; and

Be It Further Resolved, That this resolution shall be effective immediately upon its approval, or as otherwise provided by law.

APPROVAL OF PROPERTY AT 1930 WEST HUBBARD STREET AS CLASS 6(b) AND ELIGIBLE FOR COOK COUNTY TAX INCENTIVES.

The Committee on Economic Development submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Economic Development, having had under consideration a proposed resolution introduced by Alderman Sheneather Butler (27th) authorizing Class 6(b) tax incentives for the property located at 1930 West Hubbard Street, pursuant to the Cook County Real Property Classification Ordinance, begs leave to recommend that Your Honorable Body *Adopt* the said proposed resolution which is transmitted herewith.

This recommendation was concurred in by all members of the committee present with no dissenting votes.

Respectfully submitted,

(Signed) BERNARD J. HANSEN,
Chairman.

On motion of Alderman Hansen, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

WHEREAS, The Cook County Board of Commissioners has amended the Cook County Real Property Classification Ordinance as of October 1, 1984, to provide certain real estate tax incentives to property which is located within Cook County and used for manufacturing or industrial purposes; and

WHEREAS, The City of Chicago, consistent with the Cook County Real Property Classification Ordinance, wishes to induce industry to locate and expand in the City by offering financial incentives in the form of property tax relief; and

WHEREAS, The Phoenix Fastener Co. is the owner of the property commonly known as 1930 West Hubbard Street, Chicago, Illinois (hereinafter referred to as the "subject property"), and plans substantial new construction of the subject property with the expectation that said property would be eligible for Class 6(b) tax incentives pursuant to the Cook County Real Property Classification Ordinance, as amended October 1, 1984; and

WHEREAS, The permanent index numbers for the subject property are 17-07-229-009-0000, 17-07-229-017-0000 and 17-07-229-032-0000; and

WHEREAS, The subject property is located within Chicago Enterprise Zone IV; and

WHEREAS, The subject property is used for business purposes for Phoenix Fastener Co.; and

WHEREAS, Phoenix Fastener Co. has received from the Office of the Cook County Assessor acknowledgement of receipt of a "Pre-Eligibility Application" for 6(b) Classification under the Cook County Real Property

Classification Ordinance, adopted by the Cook County Board of Commissioners on October 1, 1984; and

WHEREAS, New construction is planned, and sums have been expended to this purpose; and

WHEREAS, This new construction and use of the subject property will provide significant present and future employment, both temporary and permanent; and

WHEREAS, Notwithstanding the Class 6(b) status of the subject property, the new construction and utilization of the subject property will generate significant new revenues to the City in the form of real estate and other tax revenues; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, hereby declare:

SECTION 1. The subject property is appropriate for Class 6(b) tax incentive benefits pursuant to the Cook County Property Classification Ordinance as amended October 1, 1984; and

SECTION 2. Pursuant to the Cook County Real Property Classification Ordinance, the City of Chicago, Illinois, hereby approves of the classification of the subject property as Class 6(b) property, and the Class 6(b) tax incentives shall apply to the property identified as Permanent Real Estate Index Numbers 17-07-229-009-0000, 17-07-229-017-0000 and 17-07-229-032-0000 and

SECTION 3. The Clerk of the City of Chicago is authorized to and shall send a certified copy of this resolution to the Office of the Cook County Assessor, Room 312, County Building, Chicago, Illinois 60602; and

Be It Further Resolved, That this resolution shall be effective immediately upon its passage and approval, or as otherwise provided by law.

APPROVAL OF PROPERTY AT 1234 WEST CERMAK ROAD AS CLASS 6(b) AND ELIGIBLE FOR COOK COUNTY TAX INCENTIVES.

The Committee on Economic Development submitted the following report;

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Economic Development, having had under consideration a proposed resolution introduced by Alderman Juan Soliz (25th Ward) authorizing Class 6(b) tax incentives for the property located at 1234 West Cermak Road, pursuant to the Cook County Real Property Classification Ordinance, begs leave to recommend that Your Honorable Body *Adopt* the said proposed resolution which is transmitted herewith.

This recommendation was concurred in by all members of the committee present with no dissenting votes.

Respectfully submitted,

(Signed) BERNARD J. HANSEN,
Chairman.

On motion of Alderman Hansen, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

WHEREAS, The Cook County Board of Commissioners has amended the Cook County Real Property Classification Ordinance to provide real estate tax incentives to property owners who build, rehabilitate, enhance and occupy property which is located within Cook County and which is used for manufacturing or industrial purposes; and

WHEREAS, The City of Chicago, consistent with the Cook County Real Property Classification Ordinance, as amended, wishes to induce industry to locate and expand in the City by offering financial incentives in the form of property tax relief; and

WHEREAS, V & V Food Products, Inc., proposes to construct a 29,000 square foot warehouse and transportation building in the area of 1234 West Cermak Road, Chicago, Illinois, to be used in its wholesale distribution system; and

WHEREAS, This new building will be adjacent to its existing facility already located at 2141 South Throop Street, Chicago, Illinois, and that the construction cost of the new facility will approximate $500,000; and

WHEREAS, Real estate tax incentives are necessary to allow V & V Food Products, Inc., to build a building at a cost comparable to that which would prevail outside of Cook County; and

WHEREAS, The proposed construction site is located entirely within Enterprise Zone I within the City of Chicago; and

WHEREAS, The proposed construction work and use of the subject project will provide significant present and future employment, both temporary and permanent; and

WHEREAS, Notwithstanding the Class 6(b) status of the subject property, the new construction and utilization of the subject property will generate significant new revenue in the form of real estate and other tax revenues; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, hereby resolve that:

SECTION 1. The City of Chicago has determined that the incentive provided by the said Class 6(b) Tax Incentive Ordinance is necessary for the said development to occur on the subject property; and

SECTION 2. The City of Chicago hereby supports and consents to the Class 6(b) application and approves the classification of the subject property as Class 6(b) property pursuant to the Cook County Real Property Classification Ordinance and the Class 6(b) tax incentives shall apply to the property identified by Permanent Index Numbers: 17-20-334-005, 17-20-334-006, 17-20-334-009, 17-20-334-014 and 17-20-334-015; and

SECTION 3. The Clerk of the City of Chicago is authorized and shall send a certified copy of this resolution to the Office of the Cook County Assessor, Room 312, County Building, Chicago, Illinois 60602; and

Be It Further Resolved, That this resolution shall be effective immediately upon its passage or as otherwise provided for by law.

COMMITTEE ON HISTORICAL LANDMARK PRESERVATION.

Failed To Pass -- DESIGNATION OF DWIGHT BUILDING AS CHICAGO LANDMARK.

The Committee on Historical Landmark Preservation submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Historical Landmark Preservation, having had under consideration a communication signed by William M. McLenahan, Director of the Commission on Chicago Landmarks (referred to your committee on October 31, 1990) to designate the Dwight Building as a Chicago landmark, begs leave to recommend that Your Honorable Body *Do Not Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee present with no dissenting vote.

Respectfully submitted,

(Signed) BERNARD L. STONE,
Chairman.

On motion of Alderman Stone, the committee's recommendation was *Concurred In* and said proposed ordinance *Failed to Pass by* yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinance, which failed to pass, reads as follows:

WHEREAS, Pursuant to Chapter 21, Section 21-72 of the Municipal Code of Chicago, the City of Chicago through its Commission on Chicago Landmarks has determined that the Dwight Building, located at 626 South Clark Street, Chicago, Illinois, is worthy of designation as a Chicago landmark; and

WHEREAS, The Commissioner has found that the Dwight Building meets certain criteria for landmark designation as set forth in Section 21-66 (1), (4) and (5) of the Municipal Code of Chicago; and

WHEREAS, The Dwight Building of 1911, as well as being the headquarters and signature building for the Dwight Brothers Paper Company, also housed offices of printers, book manufacturers, engravers, and binders and thus has value as an example of the economic heritage of the City of Chicago as these were important industries to Chicago in the early years of the 20th century; and

WHEREAS, The Dwight Building is located in that part of the city known as Printing House Row where, between the years 1883 and 1912, flourishing printing and publishing businesses commissioned a number of prominent Chicago architects to design their facilities thus establishing place, identity, and tradition for the printing firms that occupied them and, further, the Dwight Building as one of this type exemplifies the social and historic heritage of the City of Chicago; and

WHEREAS, The Dwight Building combines the best of Chicago architecture from our city's Golden Age, when efficiency, productivity and beauty were harmonious goals with a singular solution and, further, is an outstanding example of the amalgamation of the commercial aesthetic established by the Chicago School and the theory and practice of Louis Sullivan; and

WHEREAS, The Dwight Building is the work of Schmidt, Garden and Martin, a firm long considered by architectural historians as one of the most important firms practicing in the city between 1900 and 1915 and whose reputation was founded on their commercial, industrial and institutional works; and

WHEREAS, In the Dwight Building, the architects demonstrate the special quality they imparted to all their buildings, making them efficient and economical while at the same time integrated in appearance, invested with a definite character, and visually distinctive albeit the work was of a commercial and industrial type such as the Dwight Building; and

WHEREAS, The Commission on Chicago Landmarks has concluded that the Dwight Building is truly important to Chicago and deserves to be preserved, protected, enhanced, rehabilitated, and perpetuated, and the Commissioner of Planning of the City of Chicago and the City Council Committee on Historical Landmark Preservation have concurred in the commission's recommendation that the Dwight Building be designated as a Chicago landmark; now, therefore,

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

SECTION 1. The Dwight Building, located at 626 South Clark Street, Chicago, Illinois, and legally described as:

> Lot 10, Lot 15, and the north 25.75 feet of Lot 16 in E. K. Hubbard's Subdivision of Block 112 in School Section Addition to Chicago in Section 16, Township 39 North, Range 14 East of the Third Principal Meridian, all in Cook County, Illinois,

is hereby designated in its entirety, along with the property on which it stands, as a Chicago landmark. The significant historical and architectural features that make an essential contribution to the qualities and characteristics by which the building meets three of the seven criteria for designation are all exterior faces of the structure and the interior public lobby.

SECTION 2. The Commission on Chicago Landmarks is hereby directed to create a suitable plaque appropriately identifying said landmark and to affix the plaque to the property designated a Chicago landmark in accordance with the provisions of Section 21-65(3) of the Municipal Code of Chicago.

SECTION 3. The Commission on Chicago Landmarks is directed to comply with the provisions of Section 21-75 of the Municipal Code of Chicago regarding "Notice of Designation".

SECTION 4. This ordinance shall take effect from and after the date of its passage.

COMMITTEE ON HUMAN RIGHTS AND CONSUMER PROTECTION.

APPOINTMENTS OF VARIOUS INDIVIDUALS AS MEMBERS OF AFFIRMATIVE ACTION ADVISORY BOARD.

The Committee on Human Rights and Consumer Protection submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Human Rights and Consumer Protection, having had under consideration a communication signed by The Honorable Richard M. Daley, Mayor (which was referred on October 31, 1990) appointing the following persons as members of the Affirmative Action Advisory Board: Glenn M. Harston, Ralph G. Moore, Peter Martinez, Linval J. Chung, Phyllis Apelbaum, Julia Stasch, Jack Dwortz and Daniel Maguire, begs leave to recommend that Your Honorable Body *Approve* the said appointments for members of the Affirmative Action Advisory Board, for terms ending October 31, 1992.

This recommendation was concurred in unanimously by the members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) JUAN M. SOLIZ,
Chairman.

On motion of Alderman Soliz, the committee's recommendation was *Concurred In* and the said proposed appointments of Phyllis Apelbaum; Linval

J. Chung; Jack Dwortz; Glenn M. Harston; Daniel Maguire; Peter Martinez; Ralph G. Moore; and Julia Stasch to the Affirmative Action Advisory Board, for terms expiring October 31, 1992, were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

AMENDMENT OF TITLE 2, CHAPTER 120 AND TITLE 8, CHAPTER 4 OF MUNICIPAL CODE OF CHICAGO BY ADDITION OF NEW SECTIONS 518 AND 085, RESPECTIVELY, TO PROTECT RIGHTS OF VICTIMS OF HATE CRIMES.

The Committee on Human Rights and Consumer Protection submitted the following report:

CHICAGO, December 14, 1990.

To the President and Members of the City Council:

Your Committee on Human Rights and Consumer Protection, having had under consideration a substitute hate crimes ordinance sponsored by Alderman Bernard J. Hansen (which was referred on May 24, 1989) to protect the rights of victims of hate crimes in the City of Chicago, begs leave to recommend that Your Honorable Body *Pass* the said proposed substitute hate crimes ordinance which is transmitted herewith.

This recommendation was concurred in unanimously by the members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) JUAN M. SOLIZ,
Chairman.

On motion of Alderman Hansen, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 44.

Nays -- None.

Alderman Eisendrath moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs, including the power to impose regulations for the protection of the public health, safety and welfare; and

WHEREAS, It is in the interest of the public health, safety and welfare of the City of Chicago to protect the rights of its citizens to be free from criminal acts or ordinance violations committed to themselves or their property on the basis of race, color, sex, religion, national origin, age, ancestry, sexual orientation or disability; now, therefore,

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

SECTION 1. Chapter 2-120 of the Municipal Code of Chicago is hereby amended by adding a new Section 2-120-518 as follows:

2-120-518. (a) As used in this section, "hate crime" means any action in violation of Section 8-4-020 or 8-4-085 of this Code.

(b) Whenever any Chicago Police Officer has identified a victim of a possible hate crime committed within the City, the Chicago Police Department shall, to the extent known, supply the name, address and telephone number of the alleged victim to the Chair of the Chicago Commission on Human Relations, together with other relevant information concerning the alleged crime.

The Police Department shall also, on at least a monthly basis, prepare a statistical summary concerning all criminal acts and ordinance violations committed within the City of Chicago during the previous month that are believed to be hate crimes. A copy of this summary shall be forwarded to the Chicago Commission on Human Relations. This summary shall be in a form approved by the Police Department and the Chair of the Chicago Commission on Human Relations.

(c) Whenever the Chicago Police Department has provided information concerning a victim of a possible hate crime to the Chair of the Chicago Commission on Human Relations, either the Chair or a person designated by him shall make reasonable efforts to contact the victim for the purpose of offering to help the victim work with the Police Department, prosecutors and any other interested agencies.

(d) The Chicago Police Department shall train both full-time and part-time new recruits and veteran personnel on an ongoing basis on the subject of hate crimes.

(e) The Chair of the Chicago Commission on Human Relations shall keep statistics on hate crimes to determine if such crimes are part of a pattern or if, due to hate or hate-based tensions in the area where the crime was committed, further hate crimes or escalations of tension are likely to occur if remedial action is not taken. The Chair shall present the findings of his report to the Chicago Police Department.

(f) Upon recommendation of the Chair, the Chicago Commission on Human Relations may call a hearing to address only perceived patterns of hate crimes or hate-based tensions. The Commission may employ a hearing examiner and other employees necessary for such purpose. For the purpose of such hearing, the Commission on Human Relations may:

(1) receive evidence and hear testimony related to patterns of hate crimes and hate-based tensions; provided, however, that the Commission will not invite or suggest the attendance of a victim of or a witness to any matter in which there is an ongoing criminal investigation or prosecution, including any appeal or retrial;

(2) issue and enforce subpoenas pursuant to Section 2-120-510 of this Code to compel the attendance of witnesses and the production of evidence relevant to the matter in question; provided, however, that no subpoena shall be issued to compel the attendance of a victim of or witness to any matter in which there is an ongoing criminal investigation or prosecution including any appeal or retrial;

(3) issue findings and recommendations concerning ways in which hate crimes and hate-based tensions can be reduced in the affected area.

The Commission on Human Relations shall conduct such a hearing, and issue and enforce any subpoena, in a manner that will avoid interference with any ongoing criminal investigation or prosecution.

(g) The Chicago Commission on Human Relations is hereby authorized to develop and initiate educational and other programs designed to reduce hate-based tensions and the incidence of hate crimes, either in particular areas or on a citywide basis.

SECTION 2. Chapter 8-4 of the Municipal Code of Chicago is hereby amended by adding a new Section 8-4-085, as follows:

8-4-085. (a) No person shall, by reason of any motive or intent relating to, or any antipathy, animosity or hostility based upon, the actual or perceived race, color, sex, religion, national origin, age, ancestry, sexual orientation or mental or physical disability of another individual or group of individuals:

(1) commit assault as defined in Section 12-1 of the Illinois Criminal Code of 1961 (Ill. Rev. Stat., Ch. 38, par. 12-1); or

(2) deface, mar, injure, destroy or remove property in violation of Section 8-4-040 of this Code; or

(3) commit trespass as defined in Section 8-4-050 of this Code; or

(4) commit vandalism as defined in Section 8-4-060 of this Code; or

(5) disturb a place of worship in violation of Section 8-4-110 of this Code; or

(6) engage in harassment by telephone as defined in Section 1-1 of "An Act to prohibit the use of telephone and telegraph lines for the sending of certain messages" (Ill. Rev. Stat., Ch. 134, par. 16-4-1).

(b) Any person who violates this section shall be subject to a fine of $500 or may be imprisoned for not more than 6 months, or may be subject to both such fine and imprisonment. In addition to such penalty, any person found guilty of violating this section may be ordered to pay restitution to the aggrieved party, and may be ordered to perform community service pursuant to Section 1-4-120 of this Code.

(c) Notwithstanding any other provision of this section, any conduct in violation of this section that is punishable under state or federal law by a term of imprisonment in excess of 6 months shall not be prosecuted under this section.

(d) As used in this section, "sexual orientation" means heterosexuality, homosexuality or bisexuality.

SECTION 3. The provisions of this ordinance and their application to any person or circumstance shall be severable. In the event any provision or application of this ordinance is found by a court of competent jurisdiction to be unconstitutional, the remaining provisions or applications of this ordinance shall remain in effect.

SECTION 4. This ordinance shall take effect 30 days after its passage and publication, except that Section 2 of this ordinance shall take effect 90 days after such passage and publication.

COMMITTEE ON POLICE, FIRE AND MUNICIPAL INSTITUTIONS.

AMENDMENT OF TITLE 4, CHAPTER 12 OF MUNICIPAL CODE OF CHICAGO BY ADDITION OF NEW SECTION 081 TO PERMIT PEACE OFFICERS TO TRANSPORT PERSONS TO HOSPITALS IN EMERGENCY SITUATIONS.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held on Tuesday, December 11, 1990, having had under consideration a proposed ordinance introduced by The Honorable Richard M. Daley, Mayor, allowing peace officers to provide assistance in transporting persons to hospitals under emergency situations, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. Chapter 4-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 4-12-081 to read as follows:

4-12-081. A peace officer may assist an emergency medical technician, as defined in Sections 4.12, 4.13 and 4.15 of the Illinois Emergency Medical Service Act (E.M.S. Act), in transporting a person to a hospital licensed to provide comprehensive emergency treatment services when the officer is informed by an emergency medical technician that the situation constitutes an emergency as defined in Section 4.11 of the E.M.S. Act and that the *person is in need of immediate hospitalization to protect such person or others from physical harm. The provisions of this subsection shall not apply when the person sought to be transported objects to transportation or medical treatment on religious grounds.*

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

COMMISSIONER OF GENERAL SERVICES AND PURCHASING AGENT AUTHORIZED TO DONATE ONE RESERVE STATUS FIRE DEPARTMENT AMBULANCE TO UNITED STATES BUREAU OF ALCOHOL, TOBACCO AND FIREARMS.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To The President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held on Tuesday, December 11, 1990, having had under consideration a proposed ordinance introduced by Alderman William M. Beavers authorizing the Commissioner of General Services and the Purchasing Agent to donate one reserve status fire department ambulance to the Bureau of Alcohol, Tobacco and Firearms, begs leave to report and recommend that Your Honorable Body *Pass* the said proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit of government as defined by Article VII, Section 6(a) of the Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City of Chicago ("Chicago") currently owns an ambulance which is in reserve status and no longer necessary or useful to the Fire Department's vehicle fleet in providing emergency medical services to the public; and

WHEREAS, The Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms desires to acquire from Chicago an ambulance for the purpose of service of search warrants and enforcement of firearms laws as these relate to illegal drug trafficking; now, therefore,

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

SECTION 1. The Commissioner of General Services and the Purchasing Agent are hereby authorized to donate one (1) reserve status Fire Department ambulance to the Bureau of Alcohol, Tobacco and Firearms. The City of Chicago shall provide a certificate of title to the Bureau of Alcohol, Tobacco and Firearms free and clear of any liens and encumbrances. The City conveys said vehicle in an "as is" condition without any warranties either expressed or implied and expressly excludes any warranty or merchantability and fitness for a particular purpose.

SECTION 2. The Commissioner of General Services and the Purchasing Agent are hereby authorized to enter into and execute such other documents as may be necessary and proper to implement this donation.

SECTION 3. This ordinance shall be in full force and effect from and after its passage and approval.

Failed To Pass -- APPOINTMENT OF MR. DAVID DELGADO TO CHICAGO POLICE BOARD.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, having had under consideration the appointment of Mr. David Delgado to the Chicago Police Board for a term expiring August 10, 1993, begs leave to report and recommend that Your Honorable Body *Do Not Pass* the proposed appointment transmitted herewith.

This recommendation was concurred in by all members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the committee's recommendation was *Concurred In* and the said proposed appointment of Mr. David Delgado to the Chicago Police Board *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Nataus moved to reconsider the foregoing vote. The motion was lost.

Failed To Pass -- AMENDMENT OF MUNICIPAL CODE CHAPTER 11 BY ADDITION OF NEW SECTION 11-1 CREATING CITY COUNCIL DIVISION WITHIN DEPARTMENT OF POLICE.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held on Tuesday, December 11, 1990, having had under consideration a proposed ordinance introduced by Alderman Robert Shaw to amend the Municipal Code of Chicago Chapter 11 by adding a new Section 11-1, begs leave to report and recommend that Your Honorable Body *Do Not Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the committee's recommendation was *Concurred In* and the said proposed ordinance transmitted with the foregoing committee report *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinance, which failed to pass, reads as follows:

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

SECTION 1. That Chapter 11 of the Municipal Code of Chicago is hereby amended by inserting herein, in its proper numerical sequence, a new section to be known as Section 11-1, and to read as follows:

11-1. There is hereby created a section of the Department of Police to be known as City Council Division, charged with the provision of security for the City Council Chamber and area and for all aldermanic offices near said chambers. Said division shall consist of a director or commander and such other officers and employees as the Superintendent of Police shall assign thereto.

The City Council Division shall be considered in charge of all City Hall security although separate and distinct from the Mayor's detail.

SECTION 2. This ordinance shall be in full force and effect from and after its date of passage.

Failed To Pass -- AMENDMENT OF MUNICIPAL CODE CHAPTER 11.1, SECTION 11.1-23 TO INCREASE TERMS OF INCARCERATION FOR VIOLATORS OF FIREARM REGISTRATION REGULATIONS.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held on Tuesday, December 11, 1990, having had under consideration a proposed ordinance introduced by Alderman John Madrzyk amending penalties for violations of firearm registration regulations, begs leave to report and recommend that Your Honorable Body *Do Not Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the committee's recommendation was *Concurred In* and the said proposed ordinance transmitted with the foregoing committee report *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinance, which failed to pass, reads as follows:

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

SECTION 1. That Section 11.1-23 of the Municipal Code of Chicago be and the same is hereby amended by striking therefrom certain language appearing in brackets below, and by inserting therein specified language in italics below, as follows:

11.1-23. Any person who violates any provision of this Chapter, shall upon conviction for the first time, be fined not less than $300.00, nor more than $500; or be incarcerated for not less than [10 days nor more than 90 days] *six months*, or both *such fine and incarceration.* [Any subsequent] *A second* conviction for a violation of this Chapter shall be punishable by a fine of $500.00 and by incarceration for a term of not less than [90 days, nor more than six months] *two years. Any subsequent conviction for a violation of this Chapter shall be punishable by a fine of $1,000.00 and by incarceration for a term of not less than five years.*

SECTION 2. This ordinance shall be in full force and effect from and after its date of passage and due publication.

Failed To Pass -- AMENDMENT OF MUNICIPAL CODE CHAPTER 185 BY ADDITION OF NEW SECTION 185-8.1 WHICH WOULD REQUIRE PERMANENT IDENTIFICATION MARKINGS ON LIGHT POLES TO INDICATE EXACT LOCATIONS OF FIRE HYDRANTS.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held Tuesday, December 11, 1990, having had under consideration a proposed ordinance introduced by former Alderman Kathy Osterman to amend Chapter 185 by adding a new Section 185-8.1, begs leave to report and recommend that Your Honorable Body *Do Not Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the committee's recommendation was *Concurred In* and the said proposed ordinance transmitted with the foregoing committee report *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinance, which failed to pass, reads as follows:

WHEREAS, Due to unforeseen problems with severe winters in the recent past, it has often been unnecessarily difficult to spot the exact location of fire hydrants which are buried under snow; and

WHEREAS, In many cases, all hydrants cleared of snow have been drifted over by new snow or plowed under by snow removal crews within two days; on a day to day basis, most hydrants are inundated as fast as they are cleared; and

WHEREAS, The exact spotting of fire hydrants is an absolute necessity to punctual firefighting and to the preservation of the public safety and welfare; now, therefore,

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

SECTION 1. That Chapter 185 of the Municipal Code of Chicago be and the same is hereby amended by inserting therein, in its proper numerical sequence, a new section to be known as Section 185-8.1, and to read as follows:

185-8.1 In order to precisely locate hydrants in all seasons and conditions, the Commissioner of Streets shall supervise the marking of the light pole nearest each hydrant with a one-foot red strip around the pole at a height of seven (7) feet. On the side of the pole nearest the hydrant, the Commissioner shall place a white numeral nine (9) inches in height indicating the distance in feet to the hydrant, with a small white arrow indicating the approximate direction of the hydrant. In cases where the hydrant is across the street from the light pole, said numeral shall be surrounded by a white circle. In cases where no light pole is conveniently *located near a hydrant, then a one-foot marker should be placed on the edifice nearest the hydrant.*

SECTION 2. This ordinance shall be in full force and effect from and after its date of passage.

Failed To Pass -- DONATION OF OBSOLETE AND SURPLUS FIREFIGHTING EQUIPMENT TO MUNICIPALITIES OF SAN FRANCISCO DEL RINCON, GTO., MEXICO AND SANTO DOMINGO, DOMINICAN REPUBLIC.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held on Tuesday, December 11, 1990, having had under consideration a proposed ordinance introduced by former Mayor Eugene Sawyer authorizing transfer of certain obsolete and surplus firefighting equipment to the municipalities of San Francisco Del Rincon, Gto., Mexico and Santo Domingo, Dominican Republic, begs leave to report and recommend that Your Honorable Body *Do Not Pass* the said proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the committee's recommendation was *Concurred In* and the said proposed ordinance transmitted with the foregoing committee report *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinance, which failed to pass, reads as follows:

WHEREAS, The City of Chicago now owns two ambulances, one fire engine, one tiller truck and seventeen uniforms that are surplus and obsolete; and

WHEREAS, This equipment, while of negligible economic value to this City, would be of great use to certain communities which lack the resources to purchase even the most basic firefighting equipment; and

WHEREAS, This body has determined that the donation of this equipment to the municipalities of San Francisco Del Rincon, Gto., Mexico and Santo Domingo, Dominican Republic will generate immeasurable good will for the City of Chicago and will be in the best interest of the public; now, therefore,

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

SECTION 1. The Mayor, the Purchasing Agent and the Comptroller are authorized, on behalf of the City of Chicago, to convey all right, title and interest in any of the following equipment to the City of San Francisco Del Rincon, Gto., Mexico and Santo Domingo, Dominican Republic:

1. One 1983 Chevrolet Ambulance, VIN-1GBHC34W5DU10448, Fire Department Identification No. C704.

2. One 1983 Chevrolet Ambulance, VIN-1GBHC34W2DU1044206, Fire Department Identification No. C705.

3. One 1975 American LaFrance Fire Engine, VIN-CP-17-4550, Fire Department Identification No. D418.

4. One 1975 International Harvester Truck (Tiller), equipped with a Seagrave Ladder, D1045-ECA-22288, Fire Department Identification No. 2112.

5. 17 uniforms, including jackets, boots and hats.

SECTION 2. The parties receiving the equipment specified in Section 1 must agree to take delivery of the equipment at the City of Chicago, and must indemnify and hold harmless the City of Chicago against all claims or liability that may arise in connection with the equipment.

SECTION 3. This ordinance shall take effect upon its passage and publication.

Failed To Pass -- COMMITTEE ON POLICE, FIRE AND MUNICIPAL INSTITUTIONS REQUESTED TO INVESTIGATE SPECIFIED INCIDENT IN CRIMINAL COURTROOM OF JUDGE JOHN MORRISSEY.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held on Tuesday, December 11, 1990, having had under consideration a proposed resolution introduced by Alderman Robert Shaw for a committee investigation into the incident which occurred on September 16, 1987 in the courtroom of Criminal Court Judge John Morrissey, begs leave to report and recommend that Your Honorable Body *Do Not Pass* the proposed resolution transmitted herewith.

This recommendation was concurred in by all members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the committee's recommendation was *Concurred In* and the said proposed resolution transmitted with the foregoing committee report *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Nataus moved to reconsider the foregoing vote. The motion was lost.

Said resolution, which failed to pass, reads as follows:

WHEREAS, On September 16, 1987, Chicago Police Officer Ronald C. Smith was involved in a courtroom hearing in which he appeared with three defendants whom he had arrested for weapon and drug possession, among other charges; and

WHEREAS, The case was scheduled at 1:25 P.M.; Officer Smith signed in five minutes earlier and noted that Judge John Morrissey was still hearing cases called for 11:00 A.M. At 1:54 P.M. Officer Smith stepped out into the hall, and when he returned shortly thereafter all three defendants were walking out of the courtroom, while Officer Smith was severely reprimanded by Judge Morrissey for not having been in the courtroom when the case was called. Judge Morrissey stated he would have the court sergeant call Officer Smith's commander to have disciplinary action taken, and as a result Officer Smith suffered a ten-day suspension; and

WHEREAS, This is only one of many such alleged occurrences in Judge Morrissey's courtroom, in which cases are dismissed when police officers are momentarily outside the court, and thus dangerous persons are released into society while members of the Chicago Police Department receive reprimands and suspensions; now, therefore,

Be It Resolved, That the City Council Committee on Police, Fire and Municipal Institutions is hereby requested to undertake a thorough investigation of the above incident and of similar alleged incidents which have occurred over the past year, and to be empowered to subpoena any witnesses necessary from law enforcement agencies, the judiciary or from the public at large; and

Be It Further Resolved, That said committee report its findings back to the full City Council as soon as feasible.

Failed To Pass -- CREATION OF POLICE DISCIPLINARY BOARD TO REPLACE OFFICE OF PROFESSIONAL STANDARDS.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held on Tuesday, December 11, 1990, having had under consideration a proposed ordinance introduced by Alderman Robert Shaw and former Alderman Ernest Jones creating a Police Disciplinary Board, begs leave to report and recommend that Your Honorable Body *Do Not Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the committee's recommendation was *Concurred In* and the said proposed ordinance transmitted with the foregoing committee report *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinance, which failed to pass, reads as follows:

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

SECTION 1. The Office of Professional Standards shall be known henceforth as the Police Disciplinary Board.

SECTION 2. There is hereby created the Police Disciplinary Board, headed by an executive director, said director and four additional members to be appointed by the Mayor with the advice and consent of the City Council. The five members of said board shall not have ever been members of the any Municipal Department of Police and shall represent the ethnicity of the population of the City. Each member shall have a minimum of five years' prior investigative experience.

SECTION 3. It shall be the duty of the Police Disciplinary Board to receive, hear and investigate all complaints made against any employee of the police department made formally or informally by any other member of said department or by any citizen.

SECTION 4. The Police Disciplinary Board shall report its findings and recommendations under the supervision of the executive director, who shall report such findings and recommendations directly to the Mayor, the Superintendent of Police and the police board.

SECTION 5. Any person who interferes in any way or impedes in any way in a complaint reception, hearing or investigation by the Police Disciplinary Board shall be subject to a fine of One Thousand Dollars or incarceration of six months in prison, or both such fine and incarceration. In addition, any person who is a member of the police department and who is found guilty of such interference or impedance shall be immediately and permanently discharged from duty.

SECTION 6. The Police Disciplinary Board shall review the backgrounds of all sworn employees of the police department, and upon finding that any police officer assigned to active duty who shall have previously or are currently being confined to a psychiatric ward or who shall have undergone treatment for any form of mental illness shall be deprived of all police powers and shall be removed from such duty and assigned to desk work within the department.

SECTION 7. Each sworn member of the department of police shall be responsible for upholding and following all municipal ordinances, as well as the laws of the County of Cook, the State of Illinois and the United States of America. Upon finding that an employee of the police department may be in violation of the municipal, county, state or federal laws, the Police Disciplinary Board shall immediately report such finding to the Mayor, the Superintendent of Police, and the police board who if necessary shall relay such report to the proper authorities.

SECTION 8. Any person found in violation of any provision of this section for which no penalty exists shall be subject to a fine of One Thousand Dollars.

Failed To Pass -- CREATION OF BOARD BY DEPARTMENT OF POLICE TO REVIEW INCIDENTS OF WEAPONS FIRING AND DISCHARGE BY POLICE OFFICERS RESULTING IN INJURY OR DEATH.

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 11, 1990.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions, for which a meeting was held on Tuesday, December 11, 1990, having had under consideration a proposed resolution introduced by Alderman Burton F. Natarus creating a board to review all incidents of firing and discharge of weapons resulting in injury or death to persons, begs leave to report and recommend that Your Honorable Body *Do Not Pass* the proposed resolution, transmitted herewith.

This recommendation was concurred in by all members of the committee with no dissenting vote.

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
Chairman.

On motion of Alderman Beavers, the committee's recommendation was *Concurred In* and the said proposed resolution transmitted with the foregoing committee report *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Beavers, Dixon, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Butler, E. Smith, Burrell, Bialczak, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Clarke, Stone -- 34.

Nays -- Aldermen Rush, Tillman, Bloom, Steele, Shaw, Carter, Langford, J. Evans, Henry -- 9.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said resolution, which failed to pass, reads as follows:

Be It Resolved, By the Mayor and members of the City Council of the City of Chicago assembled in meeting this 31st day of October, 1990, that the Department of Police create a Board to review all incidents involving the firing or discharge of weapons by Police Officers resulting in injury or death to persons.

COMMITTEE ON PORTS, WHARVES AND BRIDGES.

APPOINTMENT OF MS. MARY ELLEN MONTES AS MEMBER OF ILLINOIS INTERNATIONAL PORT DISTRICT BOARD.

The Committee on Ports, Wharves and Bridges submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Ports, Wharves and Bridges, having had under consideration a communication and report concerning the appointment of Mary Ellen Montes as a member of the Illinois International Port District Board for a term ending June 1, 1995, begs leave to recommend that Your Honorable Body *Approve* the said proposed appointment which is transmitted herewith.

This recommendation was concurred in by all members of the committee present with no dissenting vote.

Respectfully submitted,

(Signed) ED H. SMITH,
Chairman.

On motion of Alderman E. Smith, the committee's recommendation was *Concurred In* and the said proposed appointment of Ms. Mary Ellen Montes as a member of the Illinois International Port District Board was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

COMMITTEE ON TRAFFIC CONTROL AND SAFETY.

AMENDMENT OF TITLE 9, CHAPTER 64, SECTION 010(c) OF MUNICIPAL CODE OF CHICAGO BY BROADENING EXEMPTION FROM TIME LIMITATIONS ON PARKING BY MOTOR VEHICLES USED BY PEOPLE WITH DISABILITIES.

The Committee on Traffic Control and Safety submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Traffic Control and Safety, to which was transmitted (December 13, 1990) a proposed ordinance amending Section 9-64-010 of the Municipal Code of Chicago pertaining to parking regulations applicable to motor vehicles used by people with disabilities, begs leave to recommend that Your Honorable Body do *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by all members of the committee present, with no dissenting votes.

Respectfully submitted,

(Signed) ANTHONY C. LAURINO,
Chairman.

On motion of Alderman Laurino, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. Chapter 9-64 of the Municipal Code of Chicago is hereby amended in Subsection 9-64-010(c) by deleting the language in brackets as follows:

9-64-010. (c) Notwithstanding any other provision of the traffic code, any motor vehicle bearing handicapped or disabled veterans state registration plates or a handicapped parking decal or device issued pursuant to Section 3-616 or 11-1301.2 of the Illinois Vehicle Code and any motor vehicle registered in another jurisdiction, state, district, territory or foreign country upon which is displayed a registration, special decal or device issued by such other jurisdiction designating the vehicle is operated by or for a handicapped person is hereby exempt from the payment of parking meter fees and exempt from any ordinance or regulation which imposes a time limitation for parking [except limitations of one-half hour or less]. This exemption shall not be construed to authorized the parking of any vehicle during hours when parking is otherwise prohibited or where the vehicle constitutes a traffic hazard and must be moved at the instruction and request of a law enforcement officer to a location designated by such officer. The exemption granted under this subsection shall apply only when the motor vehicle is operated by or under the personal direction of the person for whom the handicapped or disabled veteran registration plates or handicapped parking decal or device was issued.

SECTION 2. This ordinance shall take effect upon passage and publication.

LOADING ZONES ESTABLISHED AND AMENDED ON PORTIONS OF SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Traffic Control and Safety, to which were referred (September 12, 1990) proposed ordinances to establish and amend loading zones on portions of sundry streets, begs leave to recommend that Your Honorable Body do *Pass* the proposed substitute ordinances submitted herewith.

This recommendation was concurred in by members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) ANTHONY C. LAURINO,
Chairman.

On motion of Alderman Laurino, the said proposed substitute ordinances transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinances, as passed, read as follows (the italic heading in each case not being a part of the ordinance):

Establishment Of Loading Zone.

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

SECTION 1. That in accordance with the provisions of Section 27-410 of the Municipal Code of Chicago, the following location is hereby designated as a loading zone for the distance specified, during the hours designated:

Public Way	Distance And Hours
South Dr. Martin Luther King, Jr. Drive	At 11153 -- at all times -- (handicapped loading zone).

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

Amendment Of Loading Zone.

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

SECTION 1. Amend ordinance passed February 7, 1990, page 11535 related to West Webster Avenue (south side) by striking:

> "from a point 75 feet west of North Halsted Street, to a point 50 feet west thereof -- 12:00 Noon to 10:00 P.M."

and inserting:

> "from a point 100 feet west of North Halsted Street, to a point 25 feet west thereof -- 5:00 P.M. to 10:00 P.M. -- (90-1220)".

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

REGULATIONS PRESCRIBED IN REFERENCE TO PARKING OF VEHICLES ON SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Traffic Control and Safety, to which were referred (February 7, March 21, April 25, May 16, June 7, 27. July 12, 31, September 12, October 3 and 31, 1990) proposed ordinances to establish parking restrictions on portions of sundry streets, begs leave to recommend that Your Honorable Body do *Pass* the proposed substitute ordinances submitted herewith.

This recommendation was concurred in by members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) ANTHONY C. LAURINO,
Chairman.

On motion of Alderman Laurino, the said proposed substitute ordinances transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinances, as passed, read as follows (the italic heading in each case not being a part of the ordinance):

Prohibition Of Parking At All Times.

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

SECTION 1. Pursuant to Section 27-413 of the Municipal Code of Chicago, the operator of a vehicle shall not park such vehicle at any time upon the following public ways in the areas indicated:

Public Way	Area
South Aberdeen Street	At 6609 (except for Handicapped Permit 5025);
South Ada Street	At 7951 (except for Handicapped Permit 5026);
West Altgeld Street	At 5342 (except for Handicapped Permit 4875);
South Avalon Avenue	At 9551 (except for Handicapped Permit 5013);
South Avenue G	At 10415 (except for Handicapped Permit 4897);
South Avenue O	At 11054 (except for Handicapped Permit 5015);
West Belle Plaine Avenue	At 2133 (except for Handicapped Permit 5006);
South Bishop Street	At 6732 (except for Handicapped Permit 6057);
South Calumet Avenue	At 9428 (except for Handicapped Permit 5010);
South Champlain Avenue	At 7153 (except for Handicapped Permit 4948);
North Claremont Avenue	At 4544 (except for Handicapped Permit 5005);
South Cregier Avenue	At 7847 (except for Handicapped Permit 4987);
North Damen Avenue	At 4425 (except for Handicapped Permit 5052);
South Damen Avenue	At 7121 (except for Handicapped Permit 4959);
North Drake Avenue	At 4303 (except for Handicapped Permit 5041);

Public Way	Area
West Drummond Place	At 3436 (except for Handicapped Permit 5060);
South East End Avenue	At 6801 (except for Handicapped Permit 5009);
South East End Avenue	At 6828 (except for Handicapped Permit 4793);
South Elizabeth Street	At 5933 (except for Handicapped Permit 5024);
South Emerald Avenue	At 7033 (except for Handicapped Permit 4964);
South Emerald Avenue	At 4536 (except for Handicapped Permit 4900);
South Essex Avenue	At 8414 (except for Handicapped Permit 4794);
South Fairfield Avenue	At 4512 (except for Handicapped Permit 4952);
West Flournoy Street	At 3527 (except for Handicapped Permit 4922);
South Forest Avenue	At 10747 (except for Handicapped Permit 5014);
South Francisco Avenue	At 4419 (except for Handicapped Permit 4953);
North Greenview Avenue (West side)	At 4330 (except for Handicapped Permit 5058);
South Hamilton Avenue	At 3340 (except for Handicapped Permit 4907);
North Harding Avenue	At 1234 (except for Handicapped Permit 5037);
South Hermitage Avenue	At 3611 (except for Handicapped Permit 4899);

Public Way	Area
West Highland Avenue	At 1535 (except for Handicapped Permit 5055);
South Honore Street	At 7710 (except for Handicapped Permit 5057);
West Huron Street	At 3506 (except for Handicapped Permit 5032);
South Indiana Avenue	At 3329 (except for Handicapped Permit 4943);
South Justine Avenue	At 5712 (except for Handicapped Permit 5023);
West Kamerling Avenue	At 4233 (except for Handicapped Permit 5036);
South Kilbourn Avenue	At 5817 (except for Handicapped Permit 4956);
South Kilpatrick Avenue	At 6647 (except for Handicapped Permit 4954);
South Komensky Avenue	At 6637 (except for Handicapped Permit 4955);
South Kostner Avenue	At 5923 (except for Handicapped Permit 5020);
South Lafayette Street	At 7602 -- 7604 (except for Handicapped Permit 4963);
South Laflin Avenue	At 7831 (except for Handicapped Permit 4960);
North Lamon Avenue	At 2106 (except for Handicapped Permit 4969);
North Lavergne Avenue	At 3923 (except for Handicapped Permit 4979);
North Lawndale Avenue	At 2340 (except for Handicapped Permit 5001);

Public Way	Area
South Leavitt Street	At 3447 (except for Handicapped Permit 5017);
West Lexington Street	At 2714 (except for Handicapped Permit 5031);
South Loomis Street	At 9602 (except for Handicapped Permit 4995);
North Mango Avenue	At 2546 (except for Handicapped Permit 4971);
North Marion Court	At 1263 (except for Handicapped Permit 4997);
South Millard Avenue	At 2125 (except for Handicapped Permit 6016);
North Mohawk Street	At 910 (except for Handicapped Permit 5003);
North Mulligan Avenue	At 2732 (except for Handicapped Permit 5043);
West Newport Avenue	At 859 (except for Handicapped Permit 5049);
South Oglesby Avenue	At 10110 (except for Handicapped Permit 4896);
West Ohio Street	At 5819 (except for Handicapped Permit 4968);
North Oleander Avenue	At 3747 (except for Handicapped Permit 4934);
North Osceola Street	At 3834 (except for Handicapped Permit 5046);
North Pacific Avenue	At 3434 (except for Handicapped Permit 4935);
North Page Avenue	At 3452 (except for Handicapped Permit 4936);

Public Way	Area
West Parker Avenue	At 5034 (except for Handicapped Permit 4927);
South Paulina Street	At 7536 (except for Handicapped Permit 4961);
South Paulina Street	At 3530 (except for Handicapped Permit 5081);
South Peoria Street	At 7244 (except for Handicapped Permit 4863);
North Pulaski Road	At 4206 (except for Handicapped Permit 4980);
West Roscoe Street	At 1923 (except for Handicapped Permit 4984);
South Sacramento Avenue	At 4619 (except for Handicapped Permit 4906);
South Sacramento Avenue	At 4431 (except for Handicapped Permit 5059);
South Sacramento Avenue	At 4957 (except for Handicapped Permit 4957);
South Saginaw Avenue	At 9320 (except for Handicapped Permit 4986);
West Superior Street	At 2618 (except for Handicapped Permit 5033);
North Troy Street	At 4333 (except for Handicapped Permit 4939);
North Trumbull Avenue	At 742 (except for Handicapped Permit 5029);
South Trumbull Avenue	At 747 (except for Handicapped Permit 5030);
South Vernon Avenue	At 8045 (except for Handicapped Permit 5011);

Public Way	Area
South Wabash Avenue	At 8748 (except for Handicapped Permit 4893);
West Walnut Street	At 3509 (except for Handicapped Permit 5034);
West Warner Avenue	At 2142 (except for Handicapped Permit 5061);
North Washtenaw Avenue	At 2916 (except for Handicapped Permit 4930);
West Wellington Avenue	At 1824 (except for Handicapped Permit 5000);
South Wentworth Avenue	At 9102 (except for Handicapped Permit 5027);
North Wood Street	At 1647 (except for Handicapped Permit 4973);
South Wood Street	At 3659 (except for Handicapped Permit 5062);
West 42nd Street	At 559 (except for Handicapped Permit 4898);
West 43rd Street	At 2423 (except for handicapped parking -- public benefit);
West 60th Place	At 3409 (except for Handicapped Permit 5056);
East 95th Street	At 620 (except for Handicapped Permit 4947);
West 113th Street	At 306 (except for Handicapped Permit 4931);
East 127th Street	At 2753 (except for Handicapped Permit 4989).

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

Designation Of Residential Permit Parking Zones.

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

SECTION 1. Pursuant to Section 27-317 of the Municipal Code of Chicago, portions of the below-named streets are hereby designated as residential parking zones, for the following locations:

Public Way	Limits And Time
North Avers Avenue (Both sides)	From West Wilson Avenue to the first alley south of West Lawrence Avenue -- at all times -- Zone 113;
North Avers Avenue	In the 5000 block -- at all times -- Zone 283;
North Burling Street (Both sides)	From the first alley north of West Diversey Parkway to West Oakdale Avenue -- at all times -- Zone 281;
South Fairfield Avenue (Both sides)	From West 44th Street to West 45th Street -- at all times -- Zone 252;
South Lowe Avenue (West side)	From West 93rd Street to West 94th Street -- all days -- 10:00 A.M. to 6:00 P.M. -- Zone 159;
West Oakdale Avenue (North side)	From North Halsted Street to the first alley west of North Clark Street;
West Oakdale Avenue (South side)	From the first alley east of North Halsted Street to the first alley west of North Clark Street -- at all times -- Zone 281;
North Orchard Street (East side)	From the first alley north of West Diversey Parkway to the second alley north of West Diversey Parkway;

Public Way	Limits And Time
North Orchard Street (West side)	From the first alley north of West Diversey Parkway to West Surf Street -- at all times -- Zone 281;
South Western Avenue (East side)	From West 34th Street to the north property line of 3427 South Western Avenue;
West 34th Street (South side)	From South Claremont Avenue to South Western Avenue;
South Claremont Street (East side)	From West 35th Street to the first alley north thereof -- at all times -- Zone 279;
West Winnemac Avenue (Both sides)	From North Laramie Avenue to North Lockwood Avenue -- 6:00 A.M. to 6:00 P.M. -- Monday through Friday -- Zone 101;
West Winnemac Avenue (North side)	From North LaCrosse Avenue to North Laramie Avenue -- at all times -- Zone 101;
West 80th Street (Both sides)	From West Green Street to the first alley east thereof -- at all times -- Zone 77.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

TRAFFIC LANE TOW-AWAY ZONES CONSIDERED AND AMENDED ON PORTIONS OF SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Traffic Control and Safety, to which were referred (September 12 and October 3, 1990) proposed ordinances to consider and amend traffic lane tow-away zones on portions of sundry streets, begs leave to recommend that Your Honorable Body do *Pass* the proposed substitute ordinances submitted herewith.

This recommendation was concurred in by members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) ANTHONY C. LAURINO,
Chairman.

On motion of Alderman Laurino, the said proposed substitute ordinances transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinances, as passed, read as follows (the italic heading in each case not being a part of the ordinance):

Consideration Of Traffic Lane Tow-Away Zone.

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

SECTION 1. That the Commissioner of Public Works is hereby authorized and directed to give consideration for a traffic lane tow-away zone at the following location:

Street	Limits
West Grace Street (North side)	From a point 90 feet west of North Broadway, to a point 25 feet west thereof -- at all times (90-1229).

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

Amendment Of Traffic Lane Tow-Away Zone.

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

SECTION 1. Amend ordinance passed September 23, 1987, page 4129 by striking:

> "East Wacker Drive, upper level (south side) from a point 96 feet east of North Wabash Avenue, to a point 115 feet east thereof"

and inserting in lieu thereof:

> "East Wacker Drive, upper level (south side) from North Wabash Avenue, to North Michigan Avenue -- except Sunday, 9:00 A.M. to 1:00 P.M. (90-1427)".

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

AUTHORIZATION FOR ERECTION OF TRAFFIC WARNING SIGNS ON PORTIONS OF SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted the following report:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Traffic Control and Safety, to which were referred (July 31, September 12 and October 3, 1990) proposed orders for traffic begs leave to recommend that Your Honorable Body do *Pass* the substitute proposed order submitted herewith.

This recommendation was concurred in by members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) ANTHONY C. LAURINO,
Chairman.

On motion of Alderman Laurino, the said proposed substitute order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Commissioner of Public Works be and he is authorized and directed to erect traffic warning signs on the following streets, of the types specified:

Street	Type Of Sign
Stopping West Belden Avenue for North Kenneth Avenue	"Stop" sign (90-1340);
North/southbound traffic on South Beverly Avenue at West 97th Street	"Stop" sign;
North/southbound traffic on South Beverly Avenue at West 100th Place	"Stop" sign;
Stopping southbound traffic on South Emerald Avenue and eastbound traffic on West 89th Street	"All-Way Stop" sign;
Stopping South Fairfield Avenue for West 56th Street	"Stop" sign (90-1325);
North Hazel Street and West Buena Avenue	"All-Way Stop" sign (90-942);
South Homan Avenue and West 72nd Street	"All-Way Stop" sign (90-1366);
West Huron Street and North Bishop Street	"All-Way Stop" sign (90-1360);
North Lamon Avenue and West Bloomingdale Avenue	"All-Way Stop" sign (90-1370);
North Lowell Avenue at West Byron Street	"All-Way Stop" sign (90-1348);
South Winchester Avenue and West 77th Street	"Two-Way Stop" sign (90-1135);
West 65th Street and South Maplewood Avenue	"Stop" sign (90-1326);

Street	Type Of Sign
West 86th Street and South May Street	"Two-Way Stop" sign (90-1136);
East 101st Street and South Dr. Martin Luther King, Jr. Drive	"All-Way Stop" sign;
West 102nd Street and South Dr. Martin Luther King, Jr. Drive	"All-Way Stop" sign;
East/westbound traffic on West 127th Street and South Wentworth Avenue	"Stop" sign.

Failed To Pass -- VARIOUS TRAFFIC REGULATIONS, TRAFFIC SIGNS, ET CETERA.

(Adverse Committee Recommendations)

The Committee on Traffic Control and Safety submitted a report recommending that the City Council do not pass sundry proposed ordinances and proposed orders (transmitted with the committee report) relating to traffic regulations, traffic signs, et cetera.

Alderman Laurino moved to *Concur In* the committee's recommendation. The question in reference to each proposed ordinance or proposed order thereupon became: *"Shall the proposed ordinances or proposed orders pass, notwithstanding the committee's adverse recommendations?"* and the several questions being so put, each of the said proposed ordinances and proposed orders *Failed to Pass* by yeas and nays as follows:

Yeas -- None.

Nays -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The committee report listing said ordinances and orders which failed to pass reads as follows:

CHICAGO, December 19, 1990.

To the President and Members of the City Council:

Your Committee on Traffic Control and Safety begs leave to recommend that Your Honorable Body *Do Not Pass* sundry proposed ordinances and orders submitted herewith, which were referred to your committee (June 14 and September 13, 1989, April 6, April 25, May 16, June 7, June 27, July 12, July 31, September 12 and October 3, 1990) concerning traffic regulations and traffic signs, et cetera, as follows:

Parking Prohibited At All Times:

South Aberdeen Street	At 8516;
South Carpenter Street	At 5930;
West Carroll Avenue	At 1440 -- 1442 (90-1042/90-1248);
South Christiana Avenue	At 5232;
South Damen Avenue	At 3529;
West Dickens Avenue (North side)	Between North Laramie Avenue and North Leamington Avenue (90-1252);
West Douglas Boulevard	At 3243;
South Elizabeth Street	At 8522;
South Emerald Avenue	At 4536;
South Dr. Martin Luther King Jr. Drive	At 6600;
North Knox Avenue	At 2252;

South Kostner Avenue	At 1541;
South Laflin Street	At 5712;
South Laramie Avenue	At 4621;
South Lawndale Avenue	At 1654;
South Maplewood Avenue	At 4915;
North Nagle Avenue	At 2258;
North Oakley Avenue	At 410 (90-1247);
South Oakley Avenue	At 7237;
North Odell Avenue	At 3827;
North Paulina Street	At 1241 -- 1243 (90-1430);
North Pine Grove Avenue	At 3532;
North Ridge Avenue	At 5880;
South Rockwell Street	At 4734;
North Springfield Avenue	At 3137;
West Superior Street	At 1828;
South Talman Avenue	At 4551;
South Trumbull Avenue	At 1944;
South Trumbull Avenue	At 7834;
West Wabansia Avenue	At 3546;
South Wolcott Avenue	At 5947;
South Yale Avenue	At 7922;
West 36th Street	At 2927;
West 38th Place	At 3342;
East 72nd Street	At 1753.

Loading Zone:

West Grand Avenue (South side)	From a point 85 feet east of North Carpenter Street, to a point 25 feet east thereof (90-1008).

Miscellaneous Signs:

West Belmont Avenue	At the intersection of North Osage Avenue -- "Slow -- Children Crossing" signs (90-1445);
West Belmont Avenue (North side)	At North Pacific Avenue -- "Slow -- Children Crossing" signs (90-1447);
West Belmont Avenue (North side)	At North Page Avenue -- "Slow -- Children Crossing" signs (90-1446);
West Belmont Avenue (North side)	At North Panama Avenue -- "Slow -- Children Crossing" signs (90-1440);
West Belmont Avenue (North side)	At North Paris Avenue -- "Slow -- Children Crossing" signs (90-1443);
West Belmont Avenue (North side)	At the intersection of North Pioneer Avenue -- "Slow -- Children Crossing" signs (90-1451);
West Belmont Avenue (North side)	At North Pittsburgh Avenue -- "Slow -- Children Crossing" signs (90-1448);
West Belmont Avenue (North side)	At North Plainfield Avenue -- "Slow -- Children Crossing" signs (90-1442);
West Belmont Avenue (North side)	At North Pontiac Avenue -- "Slow -- Children Crossing" signs (90-1441);

North Bernard Street	Entrance to the easterly alley directly behind 3447 West Bryn Mawr Avenue -- "Do Not Enter" signs (90-1290);
North Kedzie Avenue	From West Armitage Avenue to West North Avenue -- "No Trucks Allowed" signs (90-1277);
Corner of North Lamon Avenue	And West Bloomingdale Avenue -- "Dead End Street" signs (90-1452);
West 101st Place	At 2001 -- "Slow -- Children Playing" signs (90-616).

Residential Permit Parking:

West 80th Street (Both sides)	From South Green Street to the first alley east thereof to extend from the first alley west of South Halsted Street (both sides).

Single Direction:

South Winchester Avenue	7100 to 7400 -- southerly;
North-south alley	Between North Wood Street and from West Iowa Street to North Wolcott Avenue to North Rice Street -- southerly (90-1238).

Speed Limitation:

West Fifth Avenue	4400 to 4500 -- 25 miles per hour (90-1083).

Tow-Away Zones:

North Racine Avenue	At 2151 (driveway) (90-1426);
West Webster Avenue	At 400 (90-1230).

Traffic Warning Signs And Signals:

(June 27, 1990) "Stop" signs -- West Bryn Mawr Avenue at North Spaulding Avenue (90-765);

(September 12, 1990) "Stop" signs -- for north and southbound traffic on South Damen Avenue at the intersection of West 56th Street (90-1133);

(September 12, 1990) "Stop" signs -- for eastbound traffic on West Iowa Street at North Wolcott Avenue (90-1106);

(April 25, 1990) "Stop" signs -- for east and westbound traffic in front of the parking lot at 1900 West Jackson Boulevard (90-477);

(September 12, 1990) "No Right Turn" signs -- on South Dr. Martin Luther King, Jr. Drive and East 65th Street (right lane for southbound traffic) (90-1299);

(October 3, 1990) "Stop" signs -- for east and westbound traffic on West Wabansia Avenue at North St. Louis Avenue (90-1341);

(June 7, 1990) "No Left Turn" signs -- on the northwest corner of North Western Avenue and West Berwyn Avenue (one-way street/westerly) (90-724);

(June 7, 1990) "No Right Turn" signs -- on the southeast corner of North Western Avenue and West Berwyn Avenue (one-way street/westerly) (90-726);

(July 31, 1990) "Stop" signs -- north/southbound traffic on South Western Avenue at West 77th Street (90-964);

(September 12, 1990) "No Right Turn" signals -- on East 65th Street at the intersection of South Ellis Avenue (90-1303);

(September 12, 1990) "No Right Turn" signals -- on East 65th Street at the intersection of South Greenwood Avenue (90-1302);

(September 12, 1990) "No Right Turn" signals -- on East 65th Street at the intersection of South Minerva Avenue (90-1300);

(September 12, 1990) "No Right Turn" signals -- on East 65th Street at the intersection of South University Avenue (90-1301);

(July 31, 1990) "All-Way Stop" signs -- at East 66th Street and South Dr. Martin Luther King, Jr. Drive (90-888);

(July 31, 1990) "Stop" signs -- east and westbound traffic on East 67th Street at South Langley Avenue (90-962);

(September 12, 1990) "Stop" signs -- for east and westbound traffic on West 71st Street at the intersection of South Sacramento Avenue (90-1132);

(September 12, 1990) "Stop" signs -- for east and westbound traffic on East 71st Street and South Woodlawn Avenue (90-1141);

(September 12, 1990) "Stop" signs -- for east and westbound traffic on East 79th Street at the intersection of South Avalon Avenue (90-1103);

(July 31, 1990) "Stop" signs -- east/westbound traffic on East 79th Street and South Drexel Avenue (90-978);

(September 12, 1990) "Stop" signs -- on East 86th Street (one-way street/westerly) at the intersection of South Ellis Avenue (90-1102);

(June 27, 1990) "All-Way Stop" signs -- at the intersection of East 100th Street and South Bensley Avenue (90-783);

(September 12, 1990) "All-Way Stop" signs -- at the intersection of East 101st Street and South Oglesby Avenue (90-1162).

Amend Parking Prohibited At All Times:

Amend passed ordinance by striking: "West Augusta Boulevard (north side) from North Homan Avenue to North Kedzie Avenue" (90-1246);

Striking: "No Parking At All Times at 5069 North Milwaukee Avenue, approximately 30 feet from the first alley of North Milwaukee Avenue" (90-1261).

Amend Parking Prohibited During Specified Hours:

Amend ordinance by striking: "4916 -- 4924 North Laramie Avenue (both sides) 8:00 A.M. to 10:00 P.M." (90-1267).

These *Do Not Pass* recommendations were concurred in by all members of the committee present, with no dissenting votes.

Respectfully submitted,

(Signed) ANTHONY C. LAURINO,
Chairman.

AGREED CALENDAR.

Alderman Burke moved to *Suspend the Rules Temporarily* for the purpose of including in the Agreed Calendar resolutions presented by Aldermen J. Evans, Cullerton and O'Connor. The motion *Prevailed.*

Thereupon, on motion of Alderman Burke, the proposed resolutions presented through the Agreed Calendar were *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Sponsored by the elected officials named below, respectively, said Agreed Calendar resolutions, as adopted, read as follows (the italic heading in each case not being a part of the resolution):

Presented By

ALDERMAN HUELS (11TH Ward):

TRIBUTE TO LATE MR. NEIL T. DANAHER.

WHEREAS, Neil T. Danaher had passed away on Friday, December 7, 1990 at the age of fifty-six; and

WHEREAS, Neil T. Danaher was a lifelong resident of the 11th Ward, Canaryville community; and

WHEREAS, Neil T. Danaher was a member of Teamster Union Local 726; and

WHEREAS, Neil T. Danaher was an employee of the Chicago Police Department Motor Maintenance Division; and

WHEREAS, Neil T. Danaher was a veteran of the Korean Conflict; and

WHEREAS, Neil T. Danaher was an active member of the community and a valuable volunteer to the 11th Ward; and

WHEREAS, Neil T. Danaher, beloved husband of Maureen (nee Kelly); and

WHEREAS, Neil T. Danaher, the devoted father of Neil, Joan, Sharon and the late Mary Ellen Danaher; and

WHEREAS, Neil T. Danaher, the loving grandfather of Mary Ellen and Kathleen Danaher; and

WHEREAS, Neil T. Danaher, the dear brother of William, C.F.D. (Jacqueline), Mary Ann (Gerald) O'Hare and the late Robert, C.F.D. (Therese) Danaher, and the fond uncle of many nieces and nephews; and

WHEREAS, Neil T. Danaher will be greatly missed by the many family members and friends whose lives he had touched; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago, gathered on this nineteenth day of December in 1990, do hereby mourn the death of Neil T. Danaher, and may we also extend our deepest sympathy to his many family members and friends who will miss him very much; and

Be It Further Resolved, That a suitable copy of this resolution be made available for the family of Neil T. Danaher.

TRIBUTE TO LATE MRS. MARIE L. FASHING.

WHEREAS, Marie L. Fashing had passed away on Friday, November 30, 1990; at the age of seventy-three; and

WHEREAS, Mrs. Fashing was a lifelong resident of the 11th Ward Bridgeport community; and

WHEREAS, Mrs. Fashing, a twenty year member of the Board of Directors of Valentine Girl's Club and inductee of the Valentine Boy's and Girl's Club Hall of Fame; and

WHEREAS, Marie L. Fashing was the dearly beloved wife of John; and

WHEREAS, Marie L. Fashing, the devoted mother of John (Norine), Thomas (Margaret) and Timothy (Peggy); and

WHEREAS, Marie L. Fashing, the loving grandmother of Jacqueline, Jennifer, John, Tim and Colleen; and

WHEREAS, Marie L. Fashing, the devoted daughter of the late Harriet and Lt. Col. Robert D. Ronavne, U.S.A.; and

WHEREAS, Marie L. Fashing, the dear sister of William (Vivian) Ronavne; and

WHEREAS, Marie L. Fashing, the fond aunt of three, and the great-aunt of many; and

WHEREAS, Marie L. Fashing will be greatly missed by the many family members and friends whose lives she had touched; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago gathered on this nineteenth day of December in 1990, do hereby mourn the death of Marie L. Fashing, and may we also extend our deepest sympathy to her many family members and friends who will miss her very much; and

Be It Further Resolved, That a suitable copy of this resolution be made available for the family of Marie L. Fashing.

TRIBUTE TO LATE MR. STEWART W. KNARR.

WHEREAS, Stewart W. Knarr had passed away on Monday, December 3, 1990; at the age of eighty-seven; and

WHEREAS, Stewart W. Knarr was a social worker who had been Executive Director of the Valentine Chicago Boy's Club in Bridgeport, for twenty-six years; and

WHEREAS, Stewart W. Knarr began his career in 1929 as Assistant Director of the Madison Square Boy's Club in New York; and

WHEREAS, Stewart W. Knarr came to Chicago in 1930 and served as Director of Boys' Work and Assistant Head Resident at the University of Chicago Settlement House; and

WHEREAS, In 1967, Mr. Knarr received the Boys Clubs Professional Association's Distinguished Achievement Award for service, and in 1968 he retired; and

WHEREAS, Stewart W. Knarr was a member of Stockyard's Kiwanis Club which he organized in 1937, and served as its secretary and president; and

WHEREAS, Stewart W. Knarr was preceded in death by his wife Majorie, nee Fisher, December 27, 1975; also by three brothers; and

WHEREAS, Stewart W. Knarr is survived by one daughter, Jan (Harley W.) Snyder, two grandchildren, and one great granddaughter; and

WHEREAS, Stewart W. Knarr will be greatly missed by the many family members and friends whose lives he had touched; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago, gathered on this nineteenth day of December in 1990, do hereby mourn the death of Stewart W. Knarr, and may we also extend our deepest sympathy to his many family members and friends who will miss him very much; and

Be It Further Resolved, That a suitable copy of this resolution be made available for the family of Stewart W. Knarr.

CONGRATULATIONS EXTENDED TO FATHER MC NERNEY ON HIS RETIREMENT AS PASTOR OF SAINT GABRIEL PARISH AND INDUCTION INTO HALL OF FAME.

WHEREAS, Father McNerney was born on December 15, 1920 to Carl J. and Kathleen (Nurse) McNerney; and

WHEREAS, Father McNerney graduated from Saint Gabriel Grammar School in June, 1934; and

WHEREAS, Father McNerney attended Quigley Preparatory Seminary; and

WHEREAS, Father McNerney was ordained on May 7, 1949 by Cardinal Stritch at Saint Mary of the Lake Seminary in Niles; and

WHEREAS, Father McNerney served at the following parishes: Our Lady of Hope, Saint Columbanus, Saint Jude the Apostle, South Holland and Saint Bede the Venerable; and

WHEREAS, Father McNerney was assigned as Pastor of Saint Gabriel Parish in June, 1975; and

WHEREAS, As Pastor of Saint Gabriel, Father McNerney presided over both the centennial of the founding of the Parish in 1980 and the centennial of the building of the church in 1988; and

WHEREAS, Father McNerney prided himself in his efforts to maintain the physical plant of the Parish so that school children would have a sound building to learn in and also that the parishioners would have a beautiful church to worship in; and

WHEREAS, During Father McNerney's tenure as Pastor he has displayed great compassion, abundant generosity, and a profound interest in the spiritual life of his parish family; and

WHEREAS, Father McNerney will retire as Pastor of Saint Gabriel Parish on December 30, 1990; and

WHEREAS, Father McNerney will celebrate his last mass as Pastor of Saint Gabriel at 12:00 Noon on Sunday, December 30, 1990; and

WHEREAS, Father McNerney will be inducted into the Hall of Fame along with nineteen other individuals; and

WHEREAS, The Hall of Fame will be blessed and dedicated in Father McNerney's honor; and

WHEREAS, Friends, family and parishioners will gather together on December 30, 1990 to honor Father McNerney and wish him well in his retirement years and congratulate him on his induction into and dedication of the Hall of Fame; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago, gathered on this nineteenth day of December in 1990, do hereby extend our heartiest congratulations to Father McNerney on this very happy occasion and may we also extend our very best wishes to him in the many more years to come; and

Be It Further Resolved, That a suitable copy of this resolution be made available for Father McNerney.

CONGRATULATIONS EXTENDED TO VARIOUS INDIVIDUALS ON BEING INDUCTED INTO SAINT GABRIEL PARISH HALL OF FAME.

WHEREAS, Saint Gabriel Parish will be marking the celebration of Father Carl J. McNerney's retirement on December 30, 1990 at the 12:00 Noon Mass, followed by a reception in the school hall; and

WHEREAS, Coinciding with this celebration is the dedication of Saint Gabriel Parish Hall of Fame; and

WHEREAS, The Hall of Fame will highlight individuals who grew up in the area, and had their formative years there; and

WHEREAS, Most of the individuals graduated from Saint Gabriel School, but all have worshipped in the parish; and

WHEREAS, All of the honorees have achieved among the top ranks of their fields of endeavor; and

WHEREAS, The Parish Hall of Fame will be blessed in honor of Father McNerney; and

WHEREAS, The honorees that will be inducted into the Hall of Fame will be: Reverend Carl McNerney, Rosemarie McInerney Barry, A. William Burnett, Sharon Burns, The Honorable Carol A. Diver, Joseph Feldmen, Sister Brenda Finnegan, R.S.M., Charles F. Ford, Raleigh Kean, The Honorable James E. Murphy, Raymond Orozco, Monsignor Thomas W. Reidy and Edmund J. Swain; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago, gathered on this nineteenth day of December in 1990, do hereby extend our heartiest congratulations to all the honorees on this very happy occasion and may we also extend our very best wishes to them in all of their future endeavors; and

Be It Further Resolved, That a suitable copy of this resolution be made available for all the honorees.

Presented By

ALDERMAN BURKE (14TH Ward):

TRIBUTE TO LATE FATHER RAYMOND L. CUSACK.

WHEREAS, Father Raymond L. Cusack passed away Saturday December 8, 1990 at the age of sixty-one; and

WHEREAS, Father Cusack, a man of intelligence and energy, was Executive Director of the Priests' Personnel Board; and

WHEREAS, Father Cusack was also a man of deep faith and conviction who served as Pastor of Presentation B.V.M. Church for seventeen years; and

WHEREAS, During his tenure at Presentation, Father Cusack was known as a caring individual and dedicated leader; and

WHEREAS, At Presentation, Father Cusack helped maintain Our Lady of the West Side School and administered a number of vital programs, including Head Start, a drug center, and a United Charities-sponsored service center; and

WHEREAS, Through his work, Father Cusack made a significant difference in the lives of many parishioners of Presentation and others; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago, in meeting assembled this nineteenth day of December in 1990, do hereby commemorate Father Raymond L. Cusack for his dedication to his faith and loving service to others, and do hereby extend our sincerest condolences to his brothers; Father John, Father Donald and William; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Father Raymond L. Cusack.

TRIBUTE TO LATE MR. LAWRENCE F. DALY.

WHEREAS, Lawrence F. Daly, a highly respected law professor, passed away Thursday, December 6, 1990 at the age of eighty-nine; and

WHEREAS, Mr. Daly taught at the DePaul University College of Law from 1931 to 1986; and

WHEREAS, Mr. Daly, in addition to being a highly intelligent professor, was a man of strong character who took an active interest in his students both in and out of the classroom; and

WHEREAS, Mr. Daly taught many of Chicago's most prominent citizens, including Mayor Richard M. Daley; and

WHEREAS, As evidence of the high regard his former students held him in, they threw a party for him every year; and

WHEREAS, Mr. Daly in 1972 was awarded the Via Sapientiae Award, DePaul's highest faculty honor; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Lawrence F. Daly for his devotion to teaching law and his inestimable contribution to the legal profession, and do hereby extend our sincerest condolences to his brother, John; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Lawrence F. Daly.

TRIBUTE TO LATE MR. NEIL T. DANAHER.

WHEREAS, Neil T. Danaher passed away recently at the age of fifty-six; and

WHEREAS, Mr. Danaher was an employee of the Chicago Police Department Motor Maintenance Division for many years, where he was highly respected for his skill and dedication; and

WHEREAS, Mr. Danaher was a member of the Teamsters Union, Local No. 726; and

WHEREAS, Mr. Danaher also served his country bravely during the Korean Conflict; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Neil T. Danaher for his many years of dedicated service to the City of Chicago, and do hereby extend our sincerest condolences to his wife, Maureen; son, Neil; and daughters, Joan and Sharon; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Neil T. Danaher.

TRIBUTE TO LATE MR. PAUL DWIGHT DOOLEN.

WHEREAS, Paul Dwight Doolen, Chairman Emeritus of Bankers Life and Casualty Company, passed away Friday, December 7, 1990 at the age of eighty-five; and

WHEREAS, Mr. Doolen, a graduate of the University of Illinois and Harvard University Law School, practiced law in Chicago with the firm of Decker and Doolen in the 1930's; and

WHEREAS, Mr. Doolen was hand-picked by John D. MacArthur to head Bankers Life and Casualty; and

WHEREAS, Mr. Doolen guided the company with his calm yet strong leadership from 1958 to 1978; and

WHEREAS, Mr. Doolen helped persuade Mr. MacArthur to found the John D. and Catherine T. MacArthur Foundation, which he was Chairman of from 1978 to 1984 and which to this day continues to perform philanthropic work of great value around the world; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Paul Dwight Doolen for his inestimable contributions to business and philanthropy in the United States, and do hereby extend our sincerest condolences to his wife, Estine; son, Mark; and daughter, Deborah Ittel; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Paul Dwight Doolen.

TRIBUTE TO LATE JUDGE CORNELIUS F. DORE, JR.

WHEREAS, Cook County Circuit Court Judge Cornelius F. Dore, Jr. passed away recently at the age of sixty-four; and

WHEREAS, Judge Dore served in many public agencies during his thirty-three year law career, including the City Corporation Counsel's Office and the Illinois Attorney General's Office; and

WHEREAS, Judge Dore, an expert in state tax litigation, was a tremendous asset to the State of Illinois as a Special Assistant Attorney General and as Chief of Revenue Litigation for the Office; and

WHEREAS, In recognition of his legal expertise, Judge Dore was appointed to the Law Division of the Circuit Court in 1982, where he served with distinction until his death; and

WHEREAS, Judge Dore also was the Democratic Committeeman of Rich Township for many years and was named Man of the Year by the Celtic Lawyer's Association in 1989; and

WHEREAS, Judge Dore, a man of character and intelligence, upheld the finest traditions of public service throughout his career; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Judge Cornelius F. Dore, Jr. for his many years of exemplary service to the legal profession and the people of Illinois, and do hereby extend our sincerest condolences to his wife, Louetta; daughter, Megan Van Eyck; and sons, Michael, Matthew, Mark and Cornelius; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Judge Cornelius F. Dore, Jr.

TRIBUTE TO LATE FIREFIGHTER EDWARD F. DUFFY.

WHEREAS, Edward F. Duffy passed away Tuesday, December 4, 1990 at the age of sixty-four; and

WHEREAS, Mr. Duffy for many years faithfully served the Chicago Fire Department, providing the citizens of Chicago with a vital service; and

WHEREAS, Mr. Duffy, a man of energy and character, at all times carried out his duties in an exemplary manner; and

WHEREAS, Throughout his career, Mr. Duffy upheld the finest traditions of the Chicago Fire Department; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Edward F. Duffy for his many years of dedicated service to Chicago and its citizens, and do hereby extend our sincerest condolences to his wife, Jeanne, three sons and two daughters; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Edward F. Duffy.

TRIBUTE TO LATE MRS. DIANNA W. HOFFMAN.

WHEREAS, Dianna W. Hoffman passed away Saturday, December 8, 1990 at the age of fifty-eight; and

WHEREAS, Mrs. Hoffman was the loving wife of Illinois House Deputy Minority Leader Gene L. Hoffman and the devoted mother of four children; and

WHEREAS, Mrs. Hoffman taught second grade at Lincoln School for twenty years, where countless students benefited from her knowledge, talent and outstanding character; and

WHEREAS, Mrs. Hoffman, a dedicated educator, earned her Master's Degree from the National College of Education and was a member of the American Association of University Women; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Dianna W. Hoffman as a loving wife and mother and dedicated teacher who enriched the lives of countless people, and do hereby extend our sincerest condolences to her husband, Gene; sons, Mark, and Greg; and daughters, Lynn Sampson and Susan Scharffenberger; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Dianna W. Hoffman.

TRIBUTE TO LATE UNITED STATES MARINE CORPORAL RAYMOND L. HORWATH, JR.

WHEREAS, United States Marine Corporal Raymond L. Horwath, Jr. passed away Friday, November 30, 1990 at the age of twenty-six aboard the U.S.S. Shreveport in the Persian Gulf; and

WHEREAS, Corporal Horwath gave his life in defense of his country and democracy as part of the United States' "Desert Shield" operation aimed at stemming aggression and protecting vital United States interests in the Middle East; and

WHEREAS, Corporal Horwath, a Chicago-area resident and four-year veteran of the military, was an excellent Marine who carried out all of his duties in an exemplary manner and bravely upheld the finest traditions of the Corps; and

WHEREAS, Corporal Horwath's life is a shining example of what it means to be an American and to defend the principles upon which this country was founded; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Corporal Raymond L. Horwath, Jr. for his dedicated service to the United States and its citizens and for paying the ultimate price in defense of his country, and do hereby extend our sincerest condolences to his wife, Kimberly and son, Raymond III; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Corporal Raymond L. Horwath, Jr.

TRIBUTE TO LATE MR. BENJAMIN JORDAN.

WHEREAS, Benjamin Jordan passed away Monday, December 10, 1990 at the age of eighty-three; and

WHEREAS, Mr. Jordan worked his way through Crane Junior College and went on to graduate from the Kent College of Law and Northwestern University; and

WHEREAS, Mr. Jordan, a man of intelligence and character, went into private legal practice, where he was highly respected for his skill; and

WHEREAS, Mr. Jordan also provided a vital service to his country during World War II when he was assigned to the Military Intelligence Unit in charge of protecting the Manhattan Project to build the atomic bomb; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Benjamin Jordan for his contributions to his country and the legal profession in Chicago and do hereby extend our sincerest condolences to his wife, Sally; daughter, Gayle Landy and son, Cook County Circuit Judge Michael S. Jordan; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Benjamin Jordan.

TRIBUTE TO LATE FIRE LIEUTENANT PAUL H. LA DOUCEUR.

WHEREAS, Retired Chicago Fire Lieutenant Paul H. LaDouceur passed away Saturday, December 8, 1990 at the age of seventy-six; and

WHEREAS, Lieutenant LaDouceur served on the Chicago Fire Department for thirty-four years, during which time he carried out his duties in an exemplary manner; and

WHEREAS, Throughout his career, Lieutenant LaDouceur upheld the finest traditions of the Chicago Fire Department; and

WHEREAS, After his retirement, Lieutenant LaDouceur dedicated himself to others, volunteering to help the elderly and deliver meals to the homebound; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Lieutenant Paul H. LaDouceur for his many years of dedicated service to Chicago and its citizens, and do hereby extend our sincerest condolences to his wife, Alberta; four sons and daughter; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Lieutenant Paul H. LaDouceur.

TRIBUTE TO LATE MR. JOSEPH J. MATUSEK.

WHEREAS, Joseph J. Matusek passed away Saturday, December 8, 1990 at the age of eighty-four; and

WHEREAS, Mr. Matusek was a Chicago native who owned a tavern for twenty-five years before his retirement in 1980; and

WHEREAS, Mr. Matusek was active in sports and his community, serving as President of the Roseland-Pullman Area Sports Hall of Fame and as a member of the Lions and Kiwanis Clubs; and

WHEREAS, Mr. Matusek dedicated himself to keeping Richard Speck in prison after Speck killed his daughter, Patricia Ann Matusek, and seven other young women in 1966; and

WHEREAS, Mr. Matusek, despite his failing health, only missed testifying against Speck at two parole hearings in the last twenty-four years; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Joseph J. Matusek for his many contributions to his community and for his dedication to keeping Chicago a safer place to live, and do hereby extend our sincerest condolences to his wife, Bessie, and daughter, Betty Jo Purvis; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Joseph J. Matusek.

TRIBUTE TO LATE MR. ISADORE MULMAT.

WHEREAS, Isadore Mulmat passed away Monday, November 19, 1990 at the age of ninety; and

WHEREAS, Mr. Mulmat began his career running a family-owned butter and egg business, where he developed his business skills and his ethic of hard work; and

WHEREAS, Mr. Mulmat for more than half a century was a member of the Chicago Mercantile Exchange, where he contributed much to Chicago's business climate; and

WHEREAS, Mr. Mulmat was also a man of deep faith who was a longtime member of Temple Sholom and helped found the Temple Beth Israel; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate Isadore Mulmat as a man of faith and character who contributed much to Chicago, and do hereby extend our sincerest condolences to his daughter, Bernice Goldstone; son, Maxwell; stepdaughter, Gloria Bliss; and stepson Judge Richard J. Elrod; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Isadore Mulmat.

TRIBUTE TO LATE BRIGADIER GENERAL PATRICK A. RICKARD.

WHEREAS, Retired Brigadier General Patrick A. Rickard passed away Sunday, December 9, 1990 at the age of eighty-one; and

WHEREAS, General Rickard began his military career in 1927 and through intelligence and leadership rose to the rank of Brigadier General with the United States Air Force; and

WHEREAS, General Rickard bravely defended his country in numerous campaigns during World War II and was decorated for his efforts; and

WHEREAS, After the war, General Rickard became a Chicago Police Officer, where he used his considerable skill and energy to the benefit of all Chicagoans; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby commemorate General Patrick A. Rickard for his dedicated service to the City of Chicago and the United States, and do hereby extend our sincerest condolences to his sister, Eileen C.; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of General Patrick A. Rickard.

CONGRATULATIONS EXTENDED TO SISTER FRANCIS MARY DENEEN ON HER FIFTIETH ANNIVERSARY WITH ORDER OF SINSINAWA DOMINICANS.

WHEREAS, Sister Francis Mary Deneen will celebrate her fiftieth year in the Order of Sinsinawa Dominicans in 1991; and

WHEREAS, Sister Francis Mary, a woman dedicated to her faith, has faithfully served others through her work for five decades; and

WHEREAS, Sister Francis Mary for much of her time with the Dominicans has been involved with education; and

WHEREAS, Thanks to Sister Francis Mary's intelligence, skill and compassion, the lives of countless young people have been enriched over the years; and

WHEREAS, Sister Francis Mary's life is an shining example of dedication to God and others; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, in meeting assembled this nineteenth day of December, 1990, do hereby honor Sister Francis Mary Deneen for her many years of invaluable service in the Order of Sinsinawa Dominicans; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Sister Francis Mary Deneen.

Presented By

ALDERMAN KELLAM (18TH Ward) And OTHERS:

MOUNT CARMEL HIGH SCHOOL FOOTBALL TEAM CONGRATULATED ON THIRD CONSECUTIVE ILLINOIS HIGH SCHOOL ASSOCIATION STATE FOOTBALL CHAMPIONSHIP.

A resolution presented by Aldermen Kellam, Burke, Sheahan and Troutman, reading as follows:

WHEREAS, Mount Carmel High School has a proud tradition of academic and athletic excellence; and

WHEREAS, Mount Carmel is the alma mater of Alderman Kellam, was attended by the sons of Alderman Burke and Alderman Sheahan, and is located in Alderman Troutman's 20th Ward; and

WHEREAS, Mount Carmel kicked off its championship season by upsetting nationally-ranked Moeller High in Cincinnatti, Ohio; and

WHEREAS, The Caravan finished the regular season undefeated and captured its third Chicago Catholic League Title in five years; and

WHEREAS, Mount Carmel swept through the State Playoffs by defeating five consecutive opponents, including a 31-28 thriller over Simeon in the State Semifinals and a 24-0 over Bloomington in the State Championship game; and

WHEREAS, Several of the Caravan seniors are National Merit Scholars and members of the National Honor Society; and

WHEREAS, Coach Frank Lenti and his squad epitomize the attributes of hard work and dedication that make Mount Carmel a success story; now, therefore,

Be It Resolved, That we, the members of the City Council of Chicago and the Mayor of the City of Chicago, do hereby gather here this nineteenth day of December to congratulate the coaching staff and football team of Mount Carmel High School for winning their third consecutive Illinois High School Association State Football Championship; and

Be It Further Resolved, That suitable copies of this resolution be presented to the administration at the school.

At this point in the proceedings, The Honorable Richard M. Daley invited to the Mayor's rostrum the members of the Mount Carmel Football Team accompanied by Principal Father Joseph Atcher; Head Football Coach Frank Lenti; Assistant Coach Frank Kiska; Aldermen Kellam and Alderman Troutman. Acknowledging the academic and athletic excellence of Mount Carmel High School, Mayor Daley congratulated the team on their championship and further thanked the faculty and students for their strong commitment and leadership to the young men of Chicago.

Recalling his own graduation from Mount Carmel High School in 1940 and applauding their tradition of atheletic and academic excellence, Alderman Kellam expressed congratulations and best wishes to the team for their continued success.

Noting her son's years as a member of the Mount Carmel Football Team, Alderman Rugai congratulated Coach Lenti and the team on winning the Illinois High School Association State Football Championship.

Presented By

ALDERMAN RUGAI (19TH WARD):

EXPRESSION OF SUPPORT FOR "PROJECT MOONBEAM".

WHEREAS, Thousand of Chicago's native sons and daughters currently serve our great country as dutiful members of the Armed Forces of the United States of America; and

WHEREAS, Thousands of those troops are presently deployed in the Mid-East as part of our government's Operation Desert Shield; and

WHEREAS, The pangs of separation are felt most acutely during this holy season when so many young men and women will be separated from their families and friends; and

WHEREAS, The people of Chicago wish to make certain our troops know that although thousands of miles may separate us physically, we are united in spirit, and that we sincerely appreciate their sacrifices and courage in the face of adversity, and that we are dedicated to doing our part to keep their morale high by showing our concern and support for their physical and emotional well being; now, therefore,

Be It Resolved, That Mayor Richard M. Daley and the members of the City Council of Chicago, gathered together this nineteenth day of December, 1990, do hereby proudly support and encourage participation in "Project Moonbeam", a Christmas Day serenade during which millions of Americans from coast to coast will "connect" with our troops by simultaneously looking at the moon and singing songs of peace and goodwill, an act which will dramatically demonstrate our support and best wishes for the men and women who now serve in the Persian Gulf area, especially our very own Chicagoans; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Chicagoan Anne Bickett Schiller, originator of "Project Moonbeam" and to any soldier, sailor, marine or airman serving in the Gulf this Christmas Day and who hails from our great city.

Presented By

ALDERMAN TROUTMAN (20TH WARD):

JANUARY 15 -- 22, 1991 PROCLAIMED HUMANITARIAN WEEK IN CHICAGO.

WHEREAS, Global Committee Commemorating King Days will observe its Seventh Annual Humanitarian Day on January 15, 1991, the birthday of Reverend Dr. Martin Luther King, Jr., a great international humanitarian who loved people, the youngest in history to receive a Nobel Peace Prize and the first African American to be honored with a national holiday which is celebrated the third Monday in January; and

WHEREAS, Humanitarian Day, one of the three "Days of Respect Tradition", commemorates all the unsung humanitarians who challenged white supremacy and made a better country by changing America's unjust laws of racial segregation; and

WHEREAS, The "Days of Respect Tradition", is three color commemorated consciousness days of unity, respect and remembrance, that coincide with the anniversaries of Dr. King's birth, death and "I Have a Dream" march on Washington to historically maintain and culturally capture the three key principles of the Civil Rights Renaissance of the 60's: Principles of Human and Civil Rights on Humanitarian Day -- January 15, white colors are worn, Principles of Non-violence on Victims of Violence Holy Day -- April 4, black colors are worn, and Principles of Righteousness, Justice and Peace on Dream Day -- August 28, black and white colors are worn and a Dream Day Quest is held to reinforce the spirit of W.A.O. (way-o We Are One) under God (Y.H.W.H.); and

WHEREAS, Global Committee, through its "Days of Respect Tradition", 3R-Rule (Reading, Respect and Responsibility) Program and spreading the spirit of W.A.O. in Humanity, promotes racial harmony, non-violence and cultural co-existence; and

WHEREAS, Harold Washington, Chicago's first African American Mayor, introduced the bill to make Dr. King's birthday a national holiday while a Congressman, was a great humanitarian who loved knowledge and we salute him in our hearts; and

WHEREAS, Humanitarian Day will commemorate unsung student victims of hate crimes and the children that perished in the Civil Rights Renaissance of the 60's, including 14-year old Chicagoan, Emmett Till, whose mother, Mamie Till Mobley, a retired Chicago school teacher and humanitarian in her own right, will posthumously receive a Humanitarian Kiss Award on behalf of her son, who ignited the Movement when 600,000 viewed his remains in Chicago, after he was kidnapped and lynched in Mississippi, for allegedly whistling at a white woman; and

WHEREAS, All humanity is invited to wear white colors on Humanitarian Day -- January 15 as a visable affirmation to highlight human and civil rights; and

WHEREAS, A week of humanitarian activities beginning January 15 -- 22 will enhance ethnic and ethical sensitivity and promote hate-, gang- and drug-free zones for a more humane society; now, therefore,

Be It Resolved, That January 15 -- 22 is Humanitarian Week in Chicago and all citizens are urged to be cognizant of the visual observance, activities and programs arranged for this time; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Dee D. Smith Simmons, Founder/Director of Global Committee Commemorating King Days and Mrs. Mamie Till Mobley.

Presented By

ALDERMAN J. EVANS (21st Ward):

CONGRATULATIONS EXTENDED TO MR. KALVYN AVERY AND MR. WILLIAM KACZON FOR THEIR HEROIC EFFORTS TO SAVE DROWNING VICTIM.

WHEREAS, The Avery family has been an integral and vital element in the Greenview community for more than thirty years, residing at 9444 South Union Avenue; and

WHEREAS, Friday December 7, 1990, Kalvyn Avery, along with Bill Kaczon, jumped off the Monroe Street bridge into the chilly Chicago River and rescued an unidentified man; now, therefore,

Be It Resolved, That the Chicago City Council hereby congratulate Kalvyn Avery and Bill Kaczon for their heroic deed and the Chicago Fire Department for its superb and timely response; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and presented to Kalvyn Avery, Bill Kaczon and the Chicago Fire Department.

Presented By

ALDERMAN CULLERTON (38th Ward):

EXPRESSION OF SUPPORT FOR AMERICAN AIRLINES PURCHASE OF CERTAIN TRANS WORLD AIRLINES LONDON ROUTES.

WHEREAS, American Airlines has signed an agreement to acquire T.W.A.'s routes to London from several U.S. cities, including Chicago; and

WHEREAS, American Airlines has agreed to purchase the T.W.A gates and its takeoff and landing rights at O'Hare; and

WHEREAS, American Airlines in just nine years has grown from a carrier with some 1,250 employees operating 120 flights daily at O'Hare to one which today employs more than 11,000 people and has 450 daily departures; and

WHEREAS, American Airlines accomplished this growth through the investment of more than $650 Million to rebuild Terminal 3 and has since committed nearly one-fourth of the entire corporate assets of American Airlines in Chicago; and

WHEREAS, American Airlines, which today is the largest international carrier at O'Hare, is aggressively pursuing a program to expand its operations further in Chicago with additional flights to locations in the U.S. and abroad; and

WHEREAS, This continued growth will directly benefit the Chicago economy and provide healthy competition which will benefit the millions of travelers using O'Hare and enhance the City's reputation for premium service; and

WHEREAS, These important benefits to the local and global economies will not be realized unless the federal government approves the sale of T.W.A. routes to American Airlines; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered on this nineteenth day of December in 1990, do hereby declare its support for the proposed purchase agreement between American Airlines and T.W.A., and urges the Secretary of the U.S. Department of Transportation to approve this transaction; and

Be It Further Resolved, That the City Clerk shall be directed to send copies of this resolution to U.S. Transportation Secretary Samuel K. Skinner, Senators Dixon and Simon, and the members of the Illinois Congressional Delegation; and

Be It Further Resolved, That this resolution shall be effective immediately upon passage.

Presented By

ALDERMAN LAURINO (39th Ward):

TRIBUTE TO LATE MS. GINA MONASTERO.

WHEREAS, God in his infinite wisdom has called to her eternal reward Gina Monastero; and

WHEREAS, Gina Monastero, born Maria Giorgia Monastero, co-owner of Monastero's Ristorante at 3935 West Devon Avenue was born in Caccomo, Sicily and came to the United States with her parents; and

WHEREAS, Gina Monastero came to our great City of Chicago in the late 1950's; and

WHEREAS, Gina Monastero, as cook, and her two brothers, Joseph and Salvy, as managers, opened a restaurant in 1962 known as La Canopy which in 1967 became known as Monastero's Ristorante; and

WHEREAS, For eighteen years both the Monastero Family and the restaurant have long been noted for their support of opera singers; and

WHEREAS, Gina Monastero was the Secretary of the Bel Canto Foundation, a philanthropic foundation to help young singers; and

WHEREAS, Gina Monastero is survived by her two brothers, Joseph and Salvy and a host of friends; and

WHEREAS, The warmth and love Gina Monastero shared with all she knew will be remembered and treasured by friends and family alike; now, therefore, *Be It Resolved*, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this nineteenth day of December, 1990, A.D., do hereby express our deep sorrow on the passing of Gina Monastero, and extend to her family and many friends our most sincere sympathy; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and presented to the family of Gina Monastero.

Presented By

ALDERMAN O'CONNOR (40th Ward):

COMMITTEE ON EDUCATION DIRECTED TO HOLD PUBLIC HEARING REGARDING PROPOSED CHANGES IN SCHOOL BUSING POLICY.

WHEREAS, Thousands of elementary school students are bused to optional educational programs throughout the City; and

WHEREAS, The Chicago Board of Education has, since the inception of the options busing programs, picked up the younger children in front of their homes, while the older children walked to the neighborhood school to meet their buses; and

WHEREAS, The Board of Education is now considering alternative methods of routing and scheduling all bus services, including the proposed discontinuation of the door-to-door pick-up; and

WHEREAS, This has generated considerable confusion and concern among the parents and local school councils throughout the City; now, therefore,

Be It Resolved, That the Committee on Education of the Chicago City Council be directed to hold public hearings and invite the General Superintendent of Schools and appropriate staff to brief the members of the City Council and interested members of the public on the proposed changes to the current busing policy.

ILLINOIS LEGISLATURE AND GOVERNOR THOMPSON URGED TO PASS CORRECTED CHICAGO SCHOOL IMPROVEMENT ACT ON JANUARY 8, 1991.

WHEREAS, School reform is alive and well in Chicago; and

WHEREAS, The cornerstone of the School Reform Act of 1988 is the doctrine of school based management, embodied in the establishment of the elected local school councils; and

WHEREAS, The Illinois Supreme Court, while validating the intent of the School Reform Act, has found that the method of electing the parent and community members of the L.S.C.s violates the "one person/one vote" rule of the constitution; and

WHEREAS, This is the only constitutional violation found by the Court and the Court made it clear in its opinion that this "defect" can be corrected and is willing to hold its order to allow time for the legislature to take corrective action; and

WHEREAS, A prolonged period of uncertainty and confusion will only serve to undermine the efforts already made by the L.S.C.s to stabilize and improve their school communities; and

WHEREAS, It is not only possible, but desirable, to correct the legal defect in the law during the one day session of the Legislature on January 8, 1991; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, in a meeting assembled this nineteenth day of December, A.D., 1990, do hereby memorialize the Illinois Legislature and the Governor of the State of Illinois to pass a corrected Chicago School Improvement Act on January 8, 1991, guaranteeing all the provisions of the 1988 law, thus enabling the work of the Board of Education and the Local School Councils to continue without disruption; and

Be It Further Resolved, That we, the Mayor and members of the City Council, join the countless parents, community members, legislators, members of the business community, the *Chicago Tribune* and the *Chicago Sun-Times*, in their rallying cry "School Reform Can't Wait -- We Want a Vote on January 8!"

MATTERS PRESENTED BY THE ALDERMEN.

(Presented By Wards, In Order, Beginning With The Fiftieth 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, Et Cetera.

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

Referred -- ESTABLISHMENT OF LOADING ZONES AT SUNDRY LOCATIONS.

The aldermen named below presented proposed ordinances to establish loading zones at the locations designated and for the distances and times specified, which were *Referred to the Committee on Traffic Control and Safety,* as follows:

Alderman	Location, Distance And Time
ROTI (1st Ward)	South Halsted Street (east side from a point 20 feet north of West Gladys Avenue, to a point 25 feet north thereof -- 9:00 A.M. to 4:00 P.M. and 6:00 P.M. to 12:00 Midnight -- no exceptions;

Alderman	Location, Distance And Time
	West Taylor Street (north side) from a point 135 feet west of South Morgan Street, to a point 25 feet west thereof -- at all times -- no exceptions;
	West Washington Boulevard (north side) from a point 30 feet west of North Sangamon Street, to a point 120 feet west thereof -- at all times -- no exceptions;
STEELE (6th Ward)	South Dr. Martin Luther King, Jr. Drive, at 8128, from the sidewalk along the south side of the building to but not including the driveway north of South Dr. Martin Luther King, Jr. Drive -- 6:00 A.M. to 6:30 P.M. -- Monday through Friday;
GUTIERREZ (26th Ward)	North California Avenue, at 2312 -- 2320 -- at all times -- daily;
HANSEN (44th Ward)	North Lakewood Avenue (east side) in the 2900 block, from a point 150 feet south of North Lincoln Avenue, to a point 25 feet south thereof -- at all times -- Monday through Saturday;
	North Pine Grove Avenue, at 2800 -- at all times -- no exceptions;
SHILLER (46th Ward)	West Waveland Avenue, at 707 for a distance of approximately 25 feet -- 6:30 A.M. to 6:30 P.M. -- Monday through Friday;
M. SMITH (48th Ward)	North Broadway, at 4915 -- at all times -- no exceptions.

Referred -- ESTABLISHMENT OF ONE-WAY TRAFFIC RESTRICTIONS 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:

Alderman	Public Way
MELL (33rd Ward)	East-west alley between West Logan Boulevard and West Schubert Avenue, from North Talman Avenue to North Washtenaw Avenue -- westerly;
BANKS (36th Ward)	East-west alley bounded by West Waveland Avenue, West Addison Street, North Pontiac Avenue and North Plainfield Avenue -- westerly;
CULLERTON (38th Ward)	North Newland Avenue, from West Belmont Avenue to West Roscoe Street -- northerly;
HANSEN (44th Ward)	West Fletcher Street, from North Clark Street to North Sheffield Avenue -- westerly;
	West Wolfram Street, from North Sheffield Avenue to North Mildred Avenue -- easterly.

Referred -- AMENDMENT OF ORDINANCE WHICH ESTABLISHED ONE-WAY TRAFFIC RESTRICTION ON PORTION OF SPECIFIED PUBLIC ALLEY.

Alderman Banks (36th Ward) presented a proposed ordinance which would amend a previously passed ordinance by striking the words: "First east-west alley north of West Diversey Avenue, between North Neva Avenue and North Harlem Avenue -- westerly" relative to the one-way traffic restriction on a portion of West Diversey Avenue and inserting in lieu thereof: "First east-west alley north of West Diversey Avenue, from North Neva Avenue to the first north-south alley west thereof -- westerly", which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- CONSIDERATION FOR INSTALLATION OF PARKING METERS ON PORTION OF WEST HIGGINS AVENUE.

Alderman Pucinski (41st Ward) presented a proposed order directing the Commissioner of Public Works to give consideration to the installation of parking meters on West Higgins Avenue, between North Mont Clare Avenue and North Nordica Avenue, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- AMENDMENT OF ORDINANCE WHICH ESTABLISHED PARKING METER AREA ON PORTIONS OF WEST MONROE STREET AND SOUTH SANGAMON STREET.

Alderman Roti (1st Ward) presented a proposed ordinance which would amend a previously passed ordinance by striking the words: ". . . That the Commissioner of Public Works is hereby authorized and directed to extend Parking Meter Area 258 (northwest side) on both sides of West Monroe Street, between South Halsted Street and South Morgan Street and on both sides of South Sangamon Street between West Monroe Street and West Madison Street, 25¢ for 30-minutes, 2-hour limit, 8:00 A.M. to 6:00 P.M., Monday through Saturday" relative to the parking meter area on portions of West

Monroe Street and South Sangamon Street and inserting in lieu thereof: ". . . That the Commissioner of Public Works is hereby authorized and directed to establish new Parking Meter Area 358 (near west side) by erecting meters on both sides of West Monroe Street, between South Halsted Street and South Morgan Street and on both sides of South Sangamon Street, between West Monroe Street and West Madison Street, 25¢ for 30-minutes, 2-hour limit, 8:00 A.M. to 6:00 P.M., Monday through Saturday", which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- CONSIDERATION FOR REMOVAL OF PARKING METER AT 2216 WEST CALIFORNIA AVENUE.

Alderman Gutierrez (26th Ward) presented a proposed order directing the Commissioner of Public Works to give consideration to the removal of a parking meter at 2216 West California Avenue, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- LIMITATION OF PARKING DURING SPECIFIED HOURS AT DESIGNATED LOCATIONS.

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

Alderman	Location, Distance And Time
STEELE (6th Ward)	East 79th Street (north side) from South Wabash Avenue to the first alley west thereof -- 15-minute limit -- 6:00 A.M. to 6:00 P.M. -- Monday through Friday;

Alderman	Location, Distance And Time
GABINSKI (32nd Ward)	North Desplaines Street (east side) from West Grand Avenue to West Hubbard Street -- two-hour limit -- 9:00 A.M. to 5:00 P.M. -- no exceptions.

Referred -- PROHIBITION OF PARKING AT ALL TIMES AT DESIGNATED LOCATIONS.

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

Alderman	Location And Distance
STEELE (6th Ward)	South Vernon Avenue, at 7223 (except for handicapped);
	South Vernon Avenue, at 8145 (except for handicapped);
	East 80th Street (south side) from South Dr. Martin Luther King, Jr. Drive to the alley;
DIXON (8th Ward)	South Ridgeland Avenue, at 7643 (except for handicapped);
HUELS (11th Ward)	South Hillock Avenue, at 2704 (except for handicapped);
	West 47th Place, at 600 (except for handicapped);

Alderman	Location And Distance
FARY (12th Ward)	South Leavitt Street, at 3634 (except for handicapped);
	West Pershing Road, at 3522 (except for handicapped);
	West 39th Street, at 3524 (except for handicapped);
MADRZYK (13th Ward)	South Karlov Avenue; at 6141 (except for handicapped);
LANGFORD (16th Ward)	South Laflin Street, at 6823 (except for handicapped);
HENRY (24th Ward)	South Hamlin Avenue, at 1911 (except for handicapped);
SOLIZ (25th Ward)	West 23rd Street, at 2306 (except for handicapped);
GUTIERREZ (26th Ward)	West Potomac Avenue, at 1928 (except for handicapped);
	West Potomac Avenue, at 2605 (except for handicapped);
BURRELL (29th Ward)	At designated location from a point 60 feet north of the northern curb of West Arthington Street, to a point 210 feet north of the curb of West Arthington Street;
BIALCZAK (30th Ward)	West Belmont Avenue, at 5027 (except for handicapped);
	West Melrose Street, at 4931 (except for handicapped);

Alderman	Location And Distance
	West Oakdale Avenue, at 4836 (except for handicapped);
FIGUEROA (31st Ward)	North Harding Avenue, at 1628 (except for handicapped);
	West Kamerling Avenue, at 4043 (except for handicapped);
GABINSKI (32nd Ward)	North Hoyne Avenue (west side) at West Homer Avenue (to clear intersection);
	North Wood Street, at 936 (except for handicapped);
MELL (33rd Ward)	North Linden Place, at 2520 (except for handicapped);
AUSTIN (34th Ward)	West 104th Street, at 18 (except for handicapped);
BANKS (36th Ward)	North Mango Street (west side) from West Altgeld Street to the first parking lot south of West Altgeld Street;
	North Newland Avenue, at 2724 (except for handicapped);
GILES (37th Ward)	West Walton Street, at 5517 (except for handicapped);
CULLERTON (38th Ward)	West Cornelia Avenue, at 4931 (except for handicapped);
LAURINO (39th Ward)	North Lawndale Avenue, at 6329 (except for handicapped);

Alderman	Location And Distance
HANSEN (44th Ward)	West Wellington Avenue, at 1216 (except for handicapped);
LEVAR (45th Ward)	North Parkside Avenue, at 5030 (except for handicapped);
SHILLER (46th Ward)	West Belle Plaine Avenue, at 820 (except for handicapped);
STONE (50th Ward)	North Whipple Street, at 6228 (except for handicapped).

Referred -- PROHIBITION OF PARKING ON PORTION OF SOUTH MAYFIELD AVENUE.

Alderman Madrzyk (13th Ward) presented a proposed ordinance to prohibit the parking of vehicles on both sides of South Mayfield Avenue, from West 64th Place to the first alley south thereof, from 7:00 A.M. to 11:00 A.M., Monday through Friday, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- REPEAL OF ORDINANCE WHICH ESTABLISHED PARKING PROHIBITION ON PORTION OF NORTH LAMON AVENUE.

Alderman Bialczak (30th Ward) presented a proposed ordinance to repeal a previously passed ordinance which prohibited parking at all times at 2106 North Lamon Avenue, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- ESTABLISHMENT OF RESIDENTIAL PERMIT PARKING ZONES AT ALL TIMES AT SPECIFIED LOCATIONS.

The aldermen named below presented proposed orders to establish at all times residential permit parking zones at the locations designated and for the distances specified, which were *Referred to the Committee on Traffic Control and Safety,* as follows:

Alderman	Location, Time And Distance
DIXON (8th Ward)	East 89th Street and South Chappel Avenue;
GABINSKI (32nd Ward)	North Desplaines Street (west side) between West Grand Avenue and West Hubbard Street.

Referred -- DESIGNATION OF SERVICE DRIVES/DIAGONAL PARKING AT SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to designate service drives and permit diagonal parking at the locations and for the distances specified, which were *Referred to the Committee on Traffic Control and Safety,* as follows:

Alderman	Location And Distance
BANKS (36th Ward)	North Natchez Avenue (west side) from West North Avenue to the first alley north thereof;

Alderman	Location And Distance
NATARUS (42nd Ward)	West Superior Street (south side) from North LaSalle Street to North Clark Street; and West Superior Street (north side) from North Clark Street to the first alley west thereof.

Referred -- ESTABLISHMENT OF THIRTY MILE PER HOUR SPEED LIMIT ON PORTION OF WEST DEVON AVENUE.

Alderman Laurino (39th Ward) presented a proposed ordinance to establish a 30 mile per hour speed limit on West Devon Avenue, from North Pulaski Road to North Cicero Avenue, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- INSTALLATION OF AUTOMATIC TRAFFIC CONTROL SIGNALS AT SPECIFIED LOCATIONS.

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

Alderman	Location
FIGUEROA (31st Ward)	West Chicago Avenue, at North Keeler Avenue;
LAURINO (39th Ward)	North Kedvale Avenue and West Peterson Avenue;
	North Kedvale Avenue and West Lawrence Avenue.

Referred -- REPEAL OF ORDINANCE WHICH AUTHORIZED INSTALLATION OF AUTOMATIC TRAFFIC CONTROL SIGNALS AT INTERSECTION OF EAST 26TH STREET AND SOUTH WABASH AVENUE.

Alderman Roti (1st Ward) presented a proposed ordinance to repeal a previously passed ordinance which authorized the installation of automatic traffic control signals at the intersection of East 26th Street and South Wabash Avenue, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- INSTALLATION OF TRAFFIC SIGNS AT SPECIFIED LOCATIONS.

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:

Alderman	Location And Type Of Sign
T. EVANS (4th Ward)	South Dorchester Avenue, at East 55th Street -- "Stop";
STEELE (6th Ward)	South Champlain Avenue, at 8100 -- "Curb Your Dog";
BEAVERS (7th Ward)	South Colfax Avenue, at East 81st Street -- "Stop";
	East 80th Street, at South Saginaw Avenue -- "Stop";
	East 81st Street, at South Marquette Avenue -- "Stop";
	East 82nd Street, at South Colfax Avenue -- "Stop";

Alderman	Location And Type Of Sign
SHAW (9th Ward)	South Cottage Grove Avenue (both sides) between East 113th Street and East 114th Street -- "No Truck Parking";
HUELS (11th Ward)	West 29th Street and South Lowe Avenue -- "Four-Way Stop";
MADRZYK (13th Ward)	South Kenneth Avenue and West 60th Street -- "Stop";
	South Kilbourn Avenue and West 60th Street -- "Stop";
	South Kolmar Avenue and West 60th Street -- "Stop";
	South Mayfield Avenue, at 6200 -- "All-Way Stop";
	South Monitor Avenue, at 6200 -- "All-Way Stop";
STREETER (17th Ward)	West 77th Street, at South Emerald Avenue -- "Stop";
GARCIA (22nd Ward)	South Kedvale Avenue, at West 25th Place -- "Stop";
SOLIZ (25th Ward)	South Rockwell Street, at West 22nd Place -- "Stop";
	South Rockwell Street, at West 22nd Street -- "Stop";
	West 24th Street and South Rockwell Street -- "Four-Way Stop";

Alderman	Location And Type Of Sign
GUTIERREZ (26th Ward)	West Walton Street, at North Campbell Avenue -- "Stop";
BIALCZAK (30th Ward)	West Barry Street, at North Lamon Avenue -- "Stop";
	West Barry Street, at North Lavergne Avenue -- "Stop";
	West Barry Street, at North Leclaire Avenue -- "Stop";
	North Linder Street, at West Cortland Street -- "Stop";
GABINSKI (32nd Ward)	West Wabansia Avenue and North Damen Avenue -- "Four-Way Stop";
AUSTIN (34th Ward)	South Peoria Street, at West 104th Street -- "Stop";
BANKS (36th Ward)	North Cumberland Avenue, at West Waveland Avenue -- "No Turn On Red -- 3:00 P.M. To 6:00 P.M. -- Monday Through Friday";
CULLERTON (38th Ward)	North Cumberland Avenue, at West Byron Street -- "No Turn On Red -- 3:00 P.M. To 6:00 P.M. -- Monday Through Friday";
	North Cumberland Avenue, at West Grace Street -- "No Turn On Red -- 3:00 P.M. To 6:00 P.M. -- Monday Through Friday";
PUCINSKI (41st Ward)	North Oketo Avenue and West Catalpa Avenue -- "Four-Way Stop";

Alderman	Location And Type Of Sign
NATARUS (42nd Ward)	North Franklin Street and West Hubbard Street -- "Four-Way Stop";
EISENDRATH (43rd Ward)	North Geneva Terrace, at West Arlington Place -- "Stop";
	North Sheffield Avenue, at West Altgeld Street -- "Stop";
	West Wrightwood Avenue and North Burling Street -- "Four-Way Stop";
HANSEN (44th Ward)	West Diversey Parkway, at North Lakewood Avenue -- "Stop";
SCHULTER (47th Ward)	North Claremont Avenue, at West Winona Street -- "Stop".

Referred -- AMENDMENT OF ORDINANCE WHICH ESTABLISHED "STOP" SIGN AT INTERSECTION OF EAST 85TH STREET AND SOUTH LANGLEY AVENUE.

Alderman Steele (6th Ward) presented a proposed ordinance which would amend a previously passed ordinance by striking the words: "East 85th Street and South Langley Avenue (east/westbound) -- 'Stop' sign" relative to the installation of a stop sign on portion of South Langley Avenue and inserting in lieu thereof: "East 83rd Street and South Langley Avenue (east/westbound) -- 'Stop' sign", which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- AUTHORIZATION FOR SURVEY CONCERNING INSTALLATION OF "ALL-WAY STOP" SIGNS AT INTERSECTION OF NORTH WALLER AVENUE AND EAST HIRSCH STREET.

Alderman Burrell (29th Ward) presented a proposed order directing the Commissioner of Public Works to cause a survey for the installation of "All-Way Stop" signs at the intersection of North Waller Avenue and East Hirsch Street, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- AUTHORIZATION FOR SURVEY CONCERNING INSTALLATION OF WEIGHT LIMITATION SIGNS ON PORTIONS OF NORTH LARAMIE AVENUE AND WEST FLOURNOY STREET.

Alderman Burrell (29th Ward) presented a proposed order directing the Commissioner of Public Works to cause a survey for the installation of appropriate signs indicating a five ton weight limit for trucks and commercial vehicles on portions of North Laramie Avenue and West Flournoy Street, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- REMOVAL OF SIGNS DESIGNATING PARKING PROHIBITION ON PORTION OF NORTH LAKE SHORE DRIVE.

Alderman Shiller (46th Ward) and Alderman Hansen (44th Ward) presented a proposed order directing the Commissioner of Public Works to remove signs designating a parking prohibition on the east side of North Lake Shore Drive, between West Belmont Avenue and West Grace Street, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- ESTABLISHMENT OF FIVE TON WEIGHT LIMITATION ON PORTION OF WEST PIPPIN STREET.

Alderman Madrzyk (13th Ward) presented a proposed ordinance to fix a weight limit of five tons for trucks and commercial vehicles on West Pippin Street, from South Lawndale Avenue to South Pulaski Road, which was *Referred to the Committee on Traffic Control and Safety.*

2. *ZONING ORDINANCE AMENDMENTS.*

Referred -- ZONING RECLASSIFICATION OF PARTICULAR AREA.

Alderman Gutierrez (26th Ward) presented a proposed ordinance amending the Chicago Zoning Ordinance for the purpose of reclassifying a particular area, which was *Referred to the Committee on Zoning*, as follows:

To classify as a B5-4 General Service District instead of a B2-2 Restricted Retail District the area shown on Map No. 3-G bounded by:

West Division Street; the alley next east of North Ashland Avenue; the alley next south of West Division Street; and a line perpendicular to West Division Street and 122 feet, 4-1/2 inches west of the southwest line of North Milwaukee Avenue at its intersection with the south line of West Division Street.

3. *CLAIMS.*

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

The aldermen named below presented seventeen proposed claims against the City of Chicago for the claimants named as noted, respectively, which were *Referred to the Committee on Claims and Liabilities*, as follows:

Alderman	Claimant
T. EVANS (4th Ward)	Ellis Estates Condominium Association;
DIXON (8th Ward)	Ruben C. and Betty J. Smith;
LASKI (23rd Ward)	Purgloss View Condominium Association;
GABINSKI (32nd Ward)	Teobald Kozlowski;
BANKS (36th Ward)	Edward and Jean Powers;
CULLERTON (38th Ward)	Roscoe Woods Condominium;
PUCINSKI (41st Ward)	Bill DiVello;
NATARUS (42nd Ward)	40 East Cedar Condominium Association;
HANSEN (44th Ward)	609 West Stratford Condominium;
LEVAR (45th Ward)	Jefferson Square Condominium Association, Incorporated (2);
	Le Cour Condominium;

Alderman	Claimant
SHILLER (46th Ward)	Coachlite II Condominium Association;
SCHULTER (47th Ward)	4645 North Hermitage Condominium Association;
CLARKE (49th Ward)	Seeley North Condominium Association (3).

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 By

ALDERMAN ROTI (1st Ward):

Referred -- ESTABLISHMENT OF SIGHTSEEING BUS STAND ON PORTION OF EAST FIELD PLAZA DRIVE.

A proposed ordinance to establish a sightseeing bus stand on the south side of East Field Plaza Drive, from a point 180 feet east of South Lake Shore Drive, to a point 200 feet east thereof, pursuant to Chapter 27, Section 27-412 of the Municipal Code, which was *Referred to the Committee on Local Transportation.*

Referred -- GRANTS OF PRIVILEGE TO SUNDRY ORGANIZATIONS FOR VARIOUS PURPOSES.

Also, three proposed ordinances to grant permission and authority to the applicants listed for the purposes specified, which were *Referred to the Committee on Streets and Alleys*, as follows:

Chicago Exchange Partners -- to maintain and use vaulted area under the public way adjacent to 175 West Jackson Boulevard;

Chicago Loop Synagogue -- to construct, maintain and use an ornamental sculpture above the public way adjacent to 16 South Clark Street; and

Citibank Federal Savings Bank -- to maintain and use vaulted area under the public way adjacent to One South Dearborn Street.

Referred -- AMENDMENT OF ORDINANCE WHICH AUTHORIZED GRANT OF PRIVILEGE TO CHICAGO TITLE AND TRUST COMPANY.

Also, a proposed ordinance to amend an ordinance passed by the City Council on September 12, 1990 (Council Journal of Proceedings page 20613), which authorized a grant of privilege to Chicago Title and Trust Company, under Trust Number 1088617, by striking from Section 1 thereof the effective date of "December 20, 1987" and inserting in lieu thereof: "date of passage", which was *Referred to the Committee on Streets and Alleys.*

Referred -- ISSUANCE OF PERMITS TO CONSTRUCT AND MAINTAIN CANOPIES AT SPECIFIED LOCATIONS.

Also, six proposed orders directing the Commissioner of General Services to issue permits to the applicants listed, for the construction, maintenance and use of canopies attached or to be attached to specified buildings or structures, which were *Referred to the Committee on Streets and Alleys*, as follows:

American National Bank, under Trust Number 21234 -- to maintain and use two canopies at 324 -- 326 North Michigan Avenue;

American National Bank, under Trust Number 90889 -- to maintain and use one canopy at 225 North Wabash Avenue;

Chicago Theatre Restoration Associates -- to maintain and use three canopies at 171 -- 177 North State Street;

Palmer House Company -- to maintain and use four canopies at 17 East Monroe Street;

Syd Jerome Men's Wear, Inc. -- to maintain and use one canopy at 39 South LaSalle Street; and

105 West Madison Building Limited Partnership -- to construct, maintain and use one canopy at 105 West Madison Street.

Presented By

ALDERMAN RUSH (2nd Ward):

Referred -- PERMISSION TO CLOSE TO TRAFFIC PORTION OF EAST PERSHING ROAD TO HOLD CHRISTMAS TREE LIGHTING CEREMONY.

A proposed order directing the Commissioner of Public Works to grant permission to Alderman Bobby L. Rush to close to traffic that part of East Pershing Road, between South Vernon Avenue and South Dr. Martin Luther King, Jr. Drive on Tuesday, December 18, 1990 for the conduct of a Christmas tree lighting ceremony, which was *Referred to the Committee on Special Events and Cultural Affairs.*

Presented By

ALDERMAN T. EVANS (4th Ward):

Referred -- REDUCTION IN ANNUAL LICENSE FEE FOR SPECIAL POLICE EMPLOYED BY CHICAGO OSTEOPATHIC MEDICAL CENTER HOSPITAL AND COLLEGE.

A proposed ordinance requiring Chicago Osteopathic Medical Center Hospital and College to pay a ten dollar license fee for the special police employed at 5200 South Ellis Avenue, which was *Referred to the Committee on Finance.*

Presented By

ALDERMAN SHAW (9th Ward):

Referred -- ESTABLISHMENT OF MAYORAL NOTIFICATION REQUIREMENT PRIOR TO PRIVATIZATION OF CITY SERVICES OR FUNCTIONS.

A proposed ordinance to require the Mayor to provide a minimum 18-month notice to affected City employee unions prior to the privatization of City services or functions, which was *Referred to the Committee on Finance.*

Presented By

ALDERMAN HUELS (11th Ward):

Referred -- APPROVAL OF PLAT OF DEDICATION FOR SPECIFIED PUBLIC ALLEYS.

A proposed ordinance directing the Superintendent of Maps, Ex Officio Examiner of Subdivisions, to approve a plat of dedication for the 16-foot east-west public alley between South Wells Street and South Wentworth Avenue, south of West 35th Street, and the 16-foot north-south public alley located west of South Wentworth Avenue, running south from West 35th Street to the east-west public alley aforesaid, which was *Referred to the Committee on Streets and Alleys.*

Referred -- EXECUTION OF SKYBRIDGE EASEMENT AGREEMENT WITH ILLINOIS SPORTS FACILITIES AUTHORITY TO CONSTRUCT, MAINTAIN AND USE PEDESTRIAN WALKWAYS OVER PORTIONS OF WEST 35TH STREET.

Also, a proposed ordinance to authorize the Mayor to execute a skybridge easement agreement with the Illinois Sports Facilities Authority for the construction, maintenance and use of two pedestrian walkways over portions of West 35th Street, at South Shields Avenue and South Wentworth Avenue, respectively, which was *Referred to the Committee on Streets and Alleys.*

Presented By

ALDERMAN MADRZYK (13th Ward):

Referred -- ISSUANCE OF PERMIT TO MAINTAIN EXISTING CANOPY AT 4140 WEST 63RD STREET.

A proposed order directing the Commissioner of General Services to issue a permit to Pepe's Show Lounge, Inc., doing business as Cracker's Dance Club, to maintain and use one canopy attached to the building or structure at 4140 West 63rd Street, which was *Referred to the Committee on Street and Alleys.*

Presented By

ALDERMAN LANGFORD (16th Ward):

Referred -- PERMISSION TO CLOSE TO TRAFFIC PORTION OF SOUTH SANGAMON AVENUE FOR SCHOOL PURPOSES.

A proposed ordinance directing the Commissioner of Public Works to grant permission to Mr. John Jackson, Principal of Wentworth School, to close to traffic that part of South Sangamon Avenue, from 6900 to 6950, during the hours of 8:00 A.M. to 9:00 A.M. and 2:00 P.M. to 2:45 P.M., for school purposes on all school days of the 1991 school year, which was *Referred to the Committee on Traffic Control and Safety.*

Presented By

ALDERMAN GARCIA (22nd Ward):

Referred -- AMENDMENT OF TITLE 14, CHAPTER 40, SECTION 130 OF MUNICIPAL CODE OF CHICAGO TO PROHIBIT USE OF ELECTRICAL SIGNS WITHIN SPECIFIED BOUNDARIES OF TWENTY-SECOND WARD.

A proposed ordinance to amend Title 14, Chapter 40, Section 130 of the Municipal Code of Chicago which would add thereto a certain provision prohibiting the use of electrical signs, as regulated under said chapter, within the delineated boundaries of the 22nd Ward, which was *Referred to the Committee on Finance.*

Presented By

ALDERMAN GARCIA (22nd Ward) And OTHERS:

Referred -- AMENDMENT OF TITLE 4 OF MUNICIPAL CODE OF CHICAGO BY ADDITION OF NEW CHAPTER 342 TO ESTABLISH RULES OF PRACTICE AND CONDUCT FOR INDIVIDUALS PROVIDING ASSISTANCE TO PERSONS WITH IMMIGRATION MATTERS.

A proposed ordinance, presented by Aldermen Garcia, Burke, Laski, E. Smith and O'Connor, to amend Title 4 of the Municipal Code of Chicago, which would add thereto a new chapter, to be known as Chapter 342, establishing rules of practice and conduct for individuals who provide assistance to persons with immigration matters, which was *Referred to the Committee on Human Rights and Consumer Protection.*

Presented By

ALDERMAN LASKI (23rd Ward):

Referred -- PAVING BY SPECIAL ASSESSMENT OF ALLEY IN AREA BOUNDED BY WEST 49TH STREET, SOUTH ARCHER AVENUE, SOUTH LAWNDALE AVENUE AND SOUTH RIDGEWAY AVENUE.

A proposed order directing the Board of Local Improvements to institute the necessary proceedings to provide concrete paving, by special assessment, of the alley bounded by West 49th Street, South Archer Avenue, South Lawndale Avenue and South Ridgeway Avenue, which was *Referred to the Committee on Streets and Alleys.*

Referred -- PERMISSION TO PARK PICKUP TRUCKS AND/OR VANS AT SPECIFIED LOCATIONS.

Also, six proposed orders directing the Commissioner of Public Works to grant permission to the applicants listed below to park pickup trucks and/or vans, in accordance with the provisions of Chapter 27, Section 27-317 of the Municipal Code of Chicago, at the locations specified, which were *Referred to the Committee on Traffic Control and Safety,* as follows:

Mr. Randy E. Aderman -- 5818 South Normandy Avenue;

Mr. Eugene R. Garsko -- 6138 South Mulligan Avenue;

Mr. R. Jalloway -- 5429 South Nagle Avenue;

Mr. Ismael R. Luna -- 5228 South Kostner Avenue;

Mr. Donald A. Mazurkiewicz -- 5434 South Hamlin Avenue; and

Mr. James C. Piotrowski -- 5106 South Archer Avenue.

Presented By

ALDERMAN HENRY (24th Ward):

TRANSFER OF FUNDS FOR YEAR 1990 WITHIN COMMITTEE ON LICENSE.

A proposed ordinance reading as follows:

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1990. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1990 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
For Contractual Services	100	15-2115	0100	$1,000.00
For Travel	100	15-2115	0200	$ 200.00

TO:

Purpose	Fund	Code Department	Account	Amount
For Commodities and Materials	100	15-2115	0300	$1,200.00

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations within the City Council Committee on License during the year 1990.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

Alderman Henry moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed ordinance. The motion *Prevailed.*

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Referred -- PERMISSION TO CLOSE TO TRAFFIC PORTION OF SOUTH ST. LOUIS AVENUE FOR SCHOOL PURPOSES.

Also, a proposed order directing the Commissioner of Public Works to grant permission to the Sol R. Crown Academy Elementary School, to close to traffic the 2100 block of South St. Louis Avenue, during the hours of 8:00 A.M. to 9:00 A.M. and 2:30 P.M. to 3:00 P.M., for school purposes on all school days of the 1990 -- 1991 school year, which was *Referred to the Committee on Traffic Control and Safety.*

Presented By

ALDERMAN SOLIZ (25th Ward):

SUPERINTENDENT OF POLICE URGED TO UPDATE, UPGRADE AND INTENSIFY ENFORCEMENT OF ANTI-GANG AND ANTI-VIOLENCE LAWS.

A proposed resolution reading as follows:

WHEREAS, The presence of street gangs and the alarming increase in gang activities in the neighborhoods of the City of Chicago threaten the safety and welfare of all citizens; and

WHEREAS, Specified statutes of this State, and Chapters 8-4, 8-16, 8-20 and 8-24 of the Municipal Code of Chicago all clearly forbid most activities associated with street gangs, and yet our citizens are surrounded by violence and the threat of violence every day; and

WHEREAS, The persons who are sworn protectors of the public must be encouraged to intensify their efforts in enforcing the anti-gang and anti-violence laws already on the books; now, therefore, *Be It Resolved,* That the Superintendent of Police of the City of Chicago is hereby memorialized to assure the updating and upgrading of all methods and means in fighting the violence that results from the free roaming of gangs throughout the streets of the City, to the end that gang violence decreases and veers from that steady increase which so threatens the public; and

Be It Further Resolved, That the City Council Committee on Police, Fire and Municipal Institutions hold immediate hearings to determine the best ways to update the anti-gang and anti-violence ordinances of the City; and

Be It Further Resolved, That suitable copies of this resolution be sent to the Superintendent of Police and the Commanders of the 10th and 12th Police Districts of the City.

Alderman Soliz moved on *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed.*

On motion of Alderman Soliz, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Referred -- CHICAGO TRANSIT AUTHORITY URGED TO CONSIDER INSTALLATION OF BUS PASSENGER SHELTERS AT VARIOUS LOCATIONS.

Also, three proposed orders directing the Committee on Local Transportation to memorialize the Chicago Transit Authority to consider the installation of bus passenger shelters at the locations noted, which were *Referred to the Committee on Local Transportation,* as follows:

The northwest corner of South Blue Island Avenue and West 18th Street;

The southeast corner of South Loomis Street and South Blue Island Avenue; and

The northeast corner of West 18th Street and South Blue Island Avenue (for westbound traffic).

Referred -- DISSOLUTION OF CHICAGO MARINE POLICE UNIT.

Also, a proposed resolution to dissolve the Chicago Marine Police Unit and to reassign its forty officers to crimefighting activities on the streets of Chicago, which was *Referred to the Committee on Police, Fire and Municipal Institutions.*

Presented By

ALDERMAN GUTIERREZ (26th Ward):

Referred -- PERMISSION TO CLOSE TO TRAFFIC PORTIONS OF NORTH WASHTENAW AVENUE AND WEST HIRSCH STREET FOR SCHOOL PURPOSES.

A proposed order directing the Commissioner of Public Works to grant permission to Ms. Gloria Ramon, Principal of Saint Fidelis School, to close to traffic 1406 North Washtenaw Avenue and 2650 West Hirsch Street, during the hours of 8:00 A.M. and 3:30 P.M., for school purposes, on all school days of the 1991 school year, which was *Referred to the Committee on Traffic Control and Safety.*

Presented By

ALDERMAN BUTLER (27th Ward):

DRAFTING OF ORDINANCE FOR VACATION OF PUBLIC ALLEYS BOUNDED BY WEST TAYLOR STREET, WEST ROOSEVELT ROAD, SOUTH FAIRFIELD AVENUE AND SOUTH WASHTENAW AVENUE.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of all of the remaining north-south 16-foot and 20-foot public alleys together with all of the remaining east-west 17-foot public alley in the block bounded by West Taylor Street, West Roosevelt Road, South Fairfield Avenue and South Washtenaw Avenue for Affordable Housing, Inc. (No. 13-27-90-1558), said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

Alderman Butler moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed order. The motion *Prevailed.*

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Referred -- ISSUANCE OF PERMIT TO PARK PICKUP TRUCK IN FRONT OF 936 NORTH ST. LOUIS AVENUE.

Also, a proposed order directing the Commissioner of Public Works to consider the issuance of a special parking permit to Willie Connelly to park his pickup truck in front of 936 North St. Louis Avenue, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- APPROVAL OF PROPERTIES AT SPECIFIED LOCATIONS AS CLASS 6(b) AND ELIGIBLE FOR COOK COUNTY TAX INCENTIVES.

Also, three proposed resolutions to approve the properties listed as eligible for Class 6(b) tax incentives under the Cook County Real Property Assessment Classification Ordinance, which were *Referred to the Committee on Finance*, as follows:

2232 West Fulton Street;

322 North Leavitt Street; and

Property bounded by North Western Avenue, West Walnut Street, North Oakley Boulevard and West Lake Street.

Presented By

ALDERMAN E. SMITH (28th Ward):

DRAFTING OF ORDINANCE FOR VACATION OF PUBLIC ALLEY BOUNDED BY WEST ARTHINGTON STREET, WEST TAYLOR STREET, SOUTH SPRINGFIELD AVENUE AND SOUTH INDEPENDENCE BOULEVARD.

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 south 104 feet of the north-south 16-foot public alley in the block bounded by West Arthington Street, West Taylor Street, South Springfield Avenue and South Independence Boulevard for G. W. Foundation, Inc. (No. 14-28-90-1556), said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

Alderman E. Smith moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed order. The motion *Prevailed*.

On motion of Alderman E. Smith, the foregoing proposed order was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Referred -- SMOKING PROHIBITED AT ALL TIMES IN CITY COUNCIL CHAMBERS.

Also, a proposed resolution to prohibit smoking at all times within the Chicago City Council Chambers and to permanently remove all ashtrays from said premises, which was *Referred to the Committee on Health*.

Presented By

ALDERMAN GABINSKI (32nd Ward):

DRAFTING OF ORDINANCE FOR VACATION OF PUBLIC ALLEYS BOUNDED BY WEST BLOOMINGDALE AVENUE, WEST WABANSIA AVENUE, NORTH WOOD STREET AND NORTH HERMITAGE AVENUE.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of all of the east-west 6-foot public alley, also all of the north-south 20-foot public alley, together with the north-south 5-foot public alley lying north of the north line of the second east-west 13-foot public alley north of West Wabansia Avenue in the block bounded by West Bloomingdale Avenue, West Wabansia Avenue, North Wood Street, and North Hermitage Avenue for Howard-Yana Shapiro, Nancy Shapiro, Lisa Marini, and Tom Finerty (No. 31-32-90-1557), said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

Alderman Gabinski moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed order. The motion *Prevailed.*

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Presented By

ALDERMAN CULLERTON (38th Ward):

Referred -- APPROVAL OF PLAT OF R. T. ENTERPRISES RESUBDIVISION ON PORTION OF NORTH NAGEL AVENUE.

A proposed ordinance directing the Superintendent of Maps, Ex Officio Examiner of Subdivisions, to approve a plat of R. T. Enterprises Resubdivision having a frontage of 50.0 feet on the west side of North Nagle Avenue and 287.38 feet north of the north line of West Belmont Avenue, which was *Referred to the Committee Streets and Alleys.*

Referred -- GRANT OF PRIVILEGE TO OUR LADY OF RESURRECTION MEDICAL CENTER TO CONSTRUCT, MAINTAIN AND USE SAMPLE BASINS ON PORTION OF WEST ADDISON STREET.

Also, a proposed ordinance to grant permission and authority to Our Lady of the Resurrection Medical Center to construct, maintain and use three sample basins adjacent to its property at 5645 West Addison Street, which was *Referred to the Committee on Streets and Alleys.*

Presented By

ALDERMAN LAURINO (39th Ward):

Referred -- ISSUANCE OF PERMITS TO MAINTAIN EXISTING CANOPY AT 4930 NORTH PULASKI ROAD.

Two proposed orders directing the Commissioner of General Services to issue permits to Mr. Thomas Kuzinar, to maintain and use one canopy attached to the building or structure at 4930 North Pulaski Road for a three year period beginning October 31, 1986 and for a three year period beginning October 31, 1989, which were *Referred to the Committee on Streets and Alleys.*

Presented By

ALDERMAN PUCINSKI (41st Ward):

TRANSFER TITLE OF HARRIS C.R.T.'S AND KEYBOARDS TO ILLINOIS STUDENT ASSISTANCE COMMISSION.

A proposed ordinance reading as follows:

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

SECTION 1. The City of Chicago hereby offers to transfer to the Illinois Student Assistance Commission all of the City of Chicago's right, title and interest in 22 Harris C.R.T.'s and keyboards from the City Clerk's existing inventory subject to the following terms and conditions:

a) The City of Chicago gives no warranty in relation to the C.R.T.'s;

b) The Illinois Student Assistance Commission accepts the C.R.T.'s in their current condition;

c) The Illinois Student Assistance Commission will be responsible for all expenses associated with the transfer and delivery of the 22 C.R.T.'s and keyboards; and

d) The Illinois Student Assistance Commission agrees to indemnify and hold harmless the City of Chicago, its officers, departments, employees and agents from any and all claims, liabilities, actions and expenses arising from the Illinois Student Assistance Commission's ownership, possession, transportation or use of the C.R.T.'s and keyboards.

SECTION 2. Upon receipt of documents indicating the Illinois Student Assistance Commission's acceptance of the conditions described in Section 1 and identifying the time and manner of removal of the C.R.T.'s from their current location, and upon approval of the documents by the Corporation Counsel, the Commissioner of General Services is authorized and directed to execute all documents necessary to transfer to the Illinois Student Assistance Commission all of Chicago's right, title and interest in and to the C.R.T.'s and keyboards.

SECTION 3. This ordinance shall be in full force and effect upon its passage and approval.

Alderman Pucinski moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed ordinance. The motion *Prevailed*.

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Presented By

**THE HONORABLE RICHARD M. DALEY, MAYOR,
THE HONORABLE WALTER S. KOZUBOWSKI,
CITY CLERK
AND
ALDERMAN PUCINSKI (41st Ward):**

CONGRATULATIONS EXTENDED MR. LECH WALESA
ON BEING ELECTED PRESIDENT OF POLAND.

A proposed resolution reading as follows:

WHEREAS, The people of Poland, in a free and unfettered election, voted Lech Walesa as their President for the next four years; and

WHEREAS, The enthusiasm of the free world in support of this election has proven again the indisputable fact that freedom is infectious; and

WHEREAS, The daring spirit of Lech Walesa started the rebirth of freedom in Poland that we now see spreading throughout other countries; and

WHEREAS, The Poles have distinguished themselves as true champions of liberty and human dignity; and

WHEREAS, The entire world is witnessing the rebirth of freedom and recognize it as an inspiration to all of us; and

WHEREAS, On Saturday, December 22, 1990, Lech Walesa will be sworn into office as the tenth President of Poland; and

WHEREAS, The eyes of the entire world will be focused on Warsaw, Poland where the resurgence of freedom will be taking place in a special inauguration; and

WHEREAS, The entire world wishes President Walesa Godspeed in this, his difficult journey; now, therefore,

Be It Resolved, That since Warsaw is a "Sister City" to Chicago, we are extending our best wishes and congratulations on her historic movement into the future; and

Be It Further Resolved, That we join the people in Poland and victors of liberty throughout the world in witnessing freedom's new life in Poland; and

Be It Further Resolved, That we commend President Walesa and the Polish people for their courage and total commitment to human rights; and

Be It Further Resolved, That we communicate to the government of Poland our profound respect and our best wishes for success in their turnaround from Communism to Freedom.

Alderman Pucinski 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 Pucinski, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Presented By

ALDERMAN NATARUS (42nd Ward):

DRAFTING OF ORDINANCE FOR VACATION OF PORTION OF NORTH WALTON STREET.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of West Walton Street lying between the east line of North Wells Street and a line 218.0 feet east thereof for the Department of Public Works (No. 4-42-90-1559); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

Alderman Natarus moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed order. The motion *Prevailed.*

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Referred -- GRANT OF PRIVILEGE TO DE GRAAF FINE ART, INC., TO MAINTAIN AND USE PORTION OF EAST SUPERIOR STREET FOR LANDSCAPING AND ERECTION OF SCULPTURE PEDESTALS.

Also, a proposed ordinance to grant permission and authority to DeGraaf Fine Art, Inc., to maintain and use a portion of the public way adjacent to premises at 9 -- 13 East Superior Street for landscaping and erection of house sculpture pedestals, which was *Referred to the Committee on Streets and Alleys.*

Referred -- ISSUANCE OF PERMITS TO MAINTAIN EXISTING CANOPIES AT SPECIFIED LOCATIONS.

Also, six proposed orders directing the Commissioner of General Services to issue permits to the applicants listed for the maintenance and use of canopies attached to specified buildings or structures, which were *Referred to the Committee on Streets and Alleys,* as follows:

Blue Chicago -- for one canopy at 937 North State Street;

DeGraaf Fine Art, Inc. -- for one canopy at 9 East Superior Street;

G.D.T. Corporation -- for one canopy at 678 North Orleans Street;

McClurg Court Center -- for three canopies at 333 East Ontario Street;

Moe's Deli Pub -- for one canopy at 611 North Rush Street; and

Woman's Athletic Club -- for one canopy at 116 --122 East Ontario Street.

Presented By

ALDERMAN EISENDRATH (43rd Ward):

Referred -- GRANTS OF PRIVILEGE TO SUNDRY ORGANIZATIONS FOR VARIOUS PURPOSES.

Two proposed ordinances to grant permission and authority to the applicants listed for the purposes specified, which were *Referred to the Committee on Streets and Alleys*, as follows:

Benevolent and Protective Order of Elks, U.S.A. -- to maintain and use pedestrian and pipe tunnels to connect the premises at 425 West Diversey Parkway with 2750 North Lake View Avenue; and

Great Lakes Terminal & Transportation Corporation -- to maintain and use a railroad switch track connecting the Chicago, Milwaukee, Saint Paul and Pacific Railroad in West Wisconsin Street with North Kingsbury Street.

Referred -- ISSUANCE OF PERMITS TO MAINTAIN AND USE EXISTING CANOPIES AT SPECIFIED LOCATIONS.

Also, three proposed orders directing the Commissioner of General Services to issue permits to the applicants listed for the maintenance and use of canopies attached to specified buildings or structures, which were *Referred to the Committee on Streets and Alleys*, as follows:

Paul Heath Audio -- for one canopy at 2036 North Clark Street;

Lindo Mexica (La Muralla) Restaurant -- for one canopy at 2638 -- 2642 North Lincoln Avenue; and

Town Management Corp. -- for one canopy at 2756 North Pine Grove Avenue.

Presented By

ALDERMAN HANSEN (44th Ward):

Referred -- GRANT OF PRIVILEGE TO PEERLESS IMPORTED RUGS, INC. TO MAINTAIN AND USE COMMUNICATIONS CABLE ON PORTION OF NORTH LINCOLN AVENUE.

A proposed ordinance to grant permission and authority to Peerless Imported Rugs, Inc. to maintain and use a communications cable connecting the second floor levels of the buildings at 3030 North Lincoln Avenue and 3035 North Lincoln Avenue, which was *Referred to the Committee on Streets and Alleys*.

Referred -- ISSUANCE OF PERMITS TO MAINTAIN AND USE EXISTING CANOPIES AT SPECIFIED LOCATIONS.

Also, two proposed orders directing the Commissioner of General Services to issue permits to the applicants listed for the maintenance and use of canopies attached to specified buildings or structures, which were *Referred to the Committee on Streets and Alleys*, as follows:

Stages Music Hall, Inc. -- for one canopy at 3730 North Clark Street; and

Sub-N-Go, Inc. -- for one canopy at 3776 North Clark Street.

Presented By

ALDERMAN SHILLER (46th Ward):

DRAFTING OF ORDINANCE FOR VACATION OF PORTION OF NORTH SEMINARY AVENUE.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of all of the remaining part of North Seminary Avenue lying between West Montrose Avenue and West Irving Park Avenue for City of Chicago, Department of Public Works (File No. 17-46-90-1547); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

Alderman Shiller moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed order. The motion *Prevailed.*

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Referred -- CONSIDERATION FOR INSTALLATION OF STREET LIGHT IN FRONT OF 4200 NORTH HAZEL STREET.

Also, a proposed order directing the Commissioner of Public Works to give consideration to the installation of a street light at 4200 North Hazel Street, which was *Referred to the Committee on Finance.*

Referred -- TRANSFER OF TITLE FOR PROPERTY AT 4435 -- 4437 NORTH MAGNOLIA AVENUE TO CHICAGO PARK DISTRICT FOR USE AS PLAYLOT.

Also, a proposed order directing the Commissioner of General Services to prepare an ordinance for the transfer of city-owned property at 4454 -- 4456 North Magnolia Avenue to Habitat Company in exchange for property located at 4435 -- 4437 North Magnolia Avenue and to transfer title to said property to the Chicago Park District for use as a playlot, which was *Referred to the Committee on Housing, Land Acquisition, Disposition and Leases.*

Referred -- AUTHORIZATION FOR STUDY CONCERNING INSTALLATION OF PERMANENT STREET SWEEPING SIGNS ON RESIDENTIAL STREETS.

Also, a proposed order directing the Commissioner of Public Works to study the feasibility of installing permanent street sweeping signs on residential streets pursuant to Title 9, Chapter 16, Section 180 of the Municipal Code of Chicago, and to request the Department of Revenue and the Chicago Police Department to cease the issuance of parking citations for street sweeping where temporary signs are posted until April 15, 1991, which was *Referred to the Committee on Streets and Alleys.*

Referred -- ISSUANCE OF PERMIT TO CHESTERTON APARTMENTS TO CONSTRUCT AND MAINTAIN CANOPIES AT 4129 -- 4155 NORTH BROADWAY.

Also, a proposed order directing the Commissioner of General Services to issue a permit to Chesterton Apartments to construct, maintain and use fourteen canopies to be attached to the buildings or structures at 4129 -- 4155 North Broadway, which was *Referred to the Committee on Streets and Alleys.*

Presented By

ALDERMAN M. SMITH (48th Ward):

Referred -- ISSUANCE OF PERMITS TO MAINTAIN EXISTING CANOPIES AT SPECIFIED LOCATIONS.

Two proposed orders directing the Commissioner of General Services to issue permits to the applicants listed for the maintenance and use of canopies attached to specified buildings or structures, which were *Referred to the Committee on Streets and Alleys*, as follows:

Charles and Suellen Long -- for one canopy at 4802 North Broadway; and

Hollywood House -- for one canopy at 5700 North Sheridan Road.

Presented By

ALDERMAN CLARKE (49th Ward):

Referred -- AMENDMENT OF TITLE 4, CHAPTER 172, SUBSECTION 020(e) OF MUNICIPAL CODE OF CHICAGO BY DISALLOWING ISSUANCE OF NEW PACKAGED GOODS LICENSES WITHIN SPECIFIED AREAS OF FORTY-NINTH WARD.

A proposed ordinance to amend the Municipal Code of Chicago, Title 4, Chapter 172, Subsection 4-172-020(e) which would disallow the issuance of new packaged goods licenses within specified areas of the 49th Ward, which was *Referred to the Committee on License.*

Presented By

ALDERMAN STONE (50th Ward):

Referred -- PERMISSION TO CLOSE TO TRAFFIC PORTION OF WEST CHASE AVENUE FOR SCHOOL PURPOSES.

A proposed order directing the Commissioner of Public Works to grant permission to Saint Margaret Mary Parish to close to traffic that portion of West Chase Avenue, between North Oakley and North Claremont Avenues, on all school days, from 7:45 A.M. to 8:30 A.M. and from 2:15 P.M. to 3:00 P.M., for school purposes, which was *Referred to the Committee on Traffic Control and Safety.*

5. FREE PERMITS, LICENSE FEE EXEMPTIONS, CANCELLATION OF WARRANTS FOR COLLECTION, AND WATER RATE EXEMPTIONS, ET CETERA.

Proposed ordinances, orders, et cetera described below were presented by the aldermen named and were *Referred to the Committee on Finance*, as follows:

FREE PERMITS:

BY ALDERMAN ROTI (1st Ward):

Goodwill Industries -- relocation of two poles for the construction of a driveway on the premises known as 601 West Polk Street.

Mellon Stuart M.K.K., 118 South Clinton Street -- construction of a west addition to the Cook County Center on the premises known as South Ogden Avenue, West Roosevelt Road and South Hamilton Avenue.

BY ALDERMAN TROUTMAN (20th Ward):

Human Resource Development Institute -- building permits for various locations.

BY ALDERMAN HENRY (24th Ward):

Crossroads Work Release Center -- inspection and permit fees for the premises known as 3210 West Arthington Street.

Sears Young Mens Christian Association -- permit fees for the premises known as 3210 West Arthington Street.

BY ALDERMAN FIGUEROA (31st Ward):

Gateway Foundation -- building purposes for the premises known as 1706 North Kedzie Avenue.

Inner City Impact -- renovation purposes for the premises known as 3325 -- 3329 West Fullerton Avenue.

LICENSE FEE EXEMPTIONS:

BY ALDERMAN ROTI (1st Ward):

DePaul University, 25 East Jackson Boulevard (3).

BY ALDERMAN BEAVERS (7th Ward):

South Chicago Community Hospital, 2320 East 93rd Street.

BY ALDERMAN DIXON (8th Ward):

Jackson Park Hospital and Medical Center, 7531 South Stony Island Avenue.

BY ALDERMAN LANGFORD (16th Ward):

Saint Bernard Hospital, 326 West 64th Street.

BY ALDERMAN RUGAI (19th Ward):

Easter Seal Society of Metropolitan Chicago, Inc. (A. J. Brandecker Rehabilitation Center), 9455 South Hoyne Avenue.

Washington and Jane Smith Home, 2340 West 113th Place.

BY ALDERMAN GUTIERREZ (26th Ward):

Easter Seal Society Gilchrist Marchman Rehabilitation Center, 2345 West North Avenue.

Norwegian American Hospital, 1044 North Francisco Avenue (2).

BY ALDERMAN GABINSKI (32nd Ward):

Erie Family Health Center, 1656 West Chicago Avenue.

Erie Senior Health Center, 838 North Noble Street.

Erie Teen Health Center, 1120 North Ashland Avenue.

BY ALDERMAN BANKS (36th Ward):

Shriner's Hospital for Crippled Children, 2211 North Oak Park Avenue.

BY ALDERMAN O'CONNOR (40th Ward):

Swedish Covenant Hospital, 5145 North California Avenue.

BY ALDERMAN PUCINSKI (41st Ward):

Norwood Park Home, 6016 North Nina Avenue.

BY ALDERMAN NATARUS (42nd Ward):

Northwestern Memorial Hospital, East Superior Street and North Fairbanks Court (2).

BY ALDERMAN HANSEN (44th Ward):

Illinois Masonic Medical Center, 836 West Wellington Avenue.

BY ALDERMAN SHILLER (46th Ward):

Louis A. Weiss Memorial Hospital, 4646 North Marine Drive.

BY ALDERMAN M. SMITH (48th Ward):

The Admiral Home, 909 West Foster Avenue.

BY ALDERMAN STONE (50th Ward):

Misericordia Heart of Mercy, 6300 North Ridge Avenue -- Baggott House, Heart of Mercy T-7 and T-4, Joseph House, Marian Center, McAuley House, O'Donnell House, Rice House and Shannon House (9).

CANCELLATION OF WARRANTS FOR COLLECTION:

BY ALDERMAN T. EVANS (4th Ward):

Chicago Child Care Society, 5467 South University Avenue -- semi-annual elevator inspection fee and annual fuel burning equipment inspection fees (2).

BY ALDERMAN STEELE (6th Ward):

Topsy Turby Nursery and Kindergarten, 723 East 75th Street -- mechanical ventilation inspection fee.

BY ALDERMAN DIXON (8th Ward):

Ada S. McKinley Community Services, 1112 East 87th Street and 1100 East 87th Street -- annual heating system inspection fee and annual driveway inspection fees (2).

Jackson Park Hospital, 7500 block of South Cornell Avenue -- "No Parking Any Time" sign fee and FT. 25 feet fee.

BY ALDERMAN SHAW (9th Ward):

Ada S. McKinley Developmental Center, 11400 South Edbrooke Avenue -- annual heating system inspection fee.

BY ALDERMAN RUGAI (19th Ward):

Longwood Cenacle Retreat House, 11600 South Longwood Drive -- annual inspection fee.

Washington and Jane Smith Home, 2340 West 113th Place -- annual mechanical ventilation inspection fees.

BY ALDERMAN GUTIERREZ (26th Ward):

Inner City Import, 2704 West North Avenue -- annual refrigeration/air conditioning inspection fee and annual building inspection fee (2).

BY ALDERMAN BANKS (36th Ward):

Notre Dame High School for Girls, 3000 North Mango Avenue -- annual public place of assembly inspection fee.

BY ALDERMAN PUCINSKI (41st Ward):

Resurrection Hospital, 7435 West Talcott Avenue -- fuel burning equipment inspection fee.

BY ALDERMAN NATARUS (42nd Ward):

Archdiocese of Chicago, 155 East Superior Street -- annual building inspection fee.

Northwestern Memorial Hospital, 250 East Superior Street -- annual "No Parking" sign inspection and maintenance fees.

BY ALDERMAN EISENDRATH (43rd Ward):

Chicago Latin School, 529 North Dearborn Street and 531 North Dearborn Street -- annual mechanical ventilation inspection fee, annual heating system inspection fee and semi-annual elevator inspection fee (3).

BY ALDERMAN SHILLER (46th Ward):

Louis A. Weiss Memorial Hospital, 4646 North Marine Drive and 6374 North Lincoln Avenue -- annual sign inspection fees and annual refrigeration inspection fee (3).

REFUND OF FEES:

BY ALDERMAN LAURINO (39th Ward):

Japanese American Service Committee, 4427 North Clark Street -- refund in the amount of $11,114.40.

BY ALDERMAN NATARUS (42nd Ward):

Northwestern Memorial Medical Center, 303 East Chicago Avenue and 320 East Superior Street -- refunds in the amounts of $4,856.75 and $4,786.00.

WAIVER OF FEE:

BY ALDERMAN FARY (12th Ward):

Cook County Jail Complex, 26th and South California Avenue -- waiver of water tap charges.

APPROVAL OF JOURNAL OF PROCEEDINGS.

JOURNAL (December 5, 1990).

The City Clerk submitted the printed Official Journal of the Proceedings of the regular meeting held on December 5, 1990 at 10:00 A.M., signed by him as such City Clerk.

Alderman Burke moved to *Approve* said printed Official Journal and to dispense with the reading thereof. The question being put, the motion *Prevailed.*

UNFINISHED BUSINESS.

EXECUTION OF CARGO BUILDING SITE LEASE WITH LUFTHANSA GERMAN AIRLINES AND ISSUANCE OF SPECIAL FACILITY REVENUE BONDS FOR CONSTRUCTION OF CARGO FACILITY AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

On motion of Alderman Burke, the City Council took up for consideration the report of a Joint Committee, comprised of the members of the Committee on Finance and the members of the Committee on Aviation, deferred and published in the Journal of the Proceedings of December 5, 1990, pages 26765 through 27112, recommending that the City Council pass a proposed ordinance authorizing the execution of a Cargo Building Site Lease with Lufthansa German Airlines and the issuance of Special Facility Revenue Bonds for the construction of said cargo facility at Chicago O'Hare International Airport.

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connnor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a duly constituted and existing municipality within the meaning of Section 1 of 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) of Article VII of the Constitution; and

WHEREAS, The City currently owns and operates an airport known as Chicago-O'Hare International Airport (the "Airport"); 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 cost of the design, construction and equipping of a new cargo facility and certain other facilities for the benefit of Deutsche Lufthansa Aktiengesellschaft, operating in the United States under the name "Lufthansa German Airlines" (the "Airline"), at the Airport; and

WHEREAS, The City is in the process of implementing a major redevelopment of the Airport and as part of such redevelopment the City now desires to provide for, among other things, the design, financing, constructing and installation of the Project by the Airline on behalf of the City; and

WHEREAS, The City Council enacted an ordinance on March 21, 1990 (the "Inducement Ordinance") authorizing the execution and delivery of an agreement between the Airline and the City providing for the issuance of the City's special facility revenue bonds for the purpose, among others, of financing costs relating to the design, construction and equipping of a new cargo facility at the Airport for the use of the Airline, certain costs associated with the relocation, construction and reconstruction of necessary and related service roads, taxiways, utilities and other appurtenances and certain other costs relating to the construction and equipping of other facilities used by the Airline at the Airport including, without limitation, certain security systems (the "Project"); and

WHEREAS, The Airline has requested that the City issue its special facility revenue bonds for the purpose, among others, of financing the cost of the Project; and

WHEREAS, The Project (and such further improvements or other accessions to the Project as may hereafter be deemed necessary or desirable by the City and the Airline during the term of the Site Lease (as hereinafter defined) relating to such cargo facility and made subject to its provisions in order to be financed by the issuance of Bonds hereunder) are proposed to be financed by the issuance of "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project)" (the "Bonds") issued in one or more series pursuant to an Indenture of Trust in substantially the form (including certain optional provisions to be inserted therein if the Series 1990 Bonds shall bear interest at a variable rate) submitted to this meeting (the "Indenture") from the City to Independence Bank of Chicago and The First National Bank of Chicago, jointly and severally as Trustee (the "Bond Trustee"), providing security for such Bonds; and

WHEREAS, Bonds to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project), Series 1990" (if the Series 1990 Bonds shall bear interest at a variable rate, the words "Variable Rate Demand" shall be inserted before the word "Series") (the "Series 1990 Bonds"), are presently proposed to be issued in an aggregate principal amount not to exceed $50,000,000 in order to pay the presently expected costs of the Project and other costs and expenses related thereto, including the costs of issuance of the Series 1990 Bonds; and

WHEREAS, The City desires to enter into the Indenture and, in connection therewith, an Arbitrage Compliance Agreement with the Airline and the Trustee and to execute and deliver a General Tax Certificate and a Non-Arbitrage Certification, each in substantially the form submitted to this meeting (collectively, the "City Tax Documents"), relating to the Series 1990 Bonds; and

WHEREAS, The City and the Airline desire to enter into a Cargo Building Site Lease in substantially the form submitted to this meeting (the "Site Lease") for the cargo facility comprised in the Project and a Special Facility Use Agreement ("Cargo Facility") in substantially the form submitted to this meeting (the "Use Agreement") in order to provide, among other things, for the payment by the Airline at certain specified times of such amounts as will be sufficient in the aggregate to enable the City to pay when due the principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Bonds; and

WHEREAS, The City and certain Underwriters (as hereinafter defined) desire to enter into a Contract of Purchase in substantially the form submitted to this meeting (the "Contract of Purchase") pursuant to which the City will sell and the Underwriters will purchase the Series 1990 Bonds; and

WHEREAS, The Airline will deliver a Letter of Representation to the City and the Underwriters in substantially the form submitted to this meeting (the "Letter of Representation") pursuant to which the Airline will make certain representations, warranties and covenants to the City and the Underwriters, and certain agreements with the Underwriters; and

WHEREAS, There has been prepared and presented to this meeting of the City Council a form of the Preliminary Official Statement of the City (the "Preliminary Official Statement") relating to the Series 1990 Bonds;

Now, Therefore, In consideration of the foregoing premises,

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

SECTION 1. Findings and Determinations. The City Council hereby finds and determines:

(a) that the construction and financing of the Project as provided in this Ordinance constitute a valid public purpose within the meaning of the Constitution; and

(b) that to secure the Series 1990 Bonds, the pledge and assignment by the City under the Indenture of certain of its rights under the Use Agreement to the Trustee is necessary and proper.

SECTION 2. Definitions. In addition to the words and terms defined in the preambles to this Ordinance, 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:

"City Clerk" means the City Clerk of the City or, with respect to attestation or affixing the City Seal, the Deputy City Clerk of the City.

"Official Statement" means the Official Statement of the City, together with all appendices attached thereto, relating to the Series 1990 Bonds, whether in its preliminary form (the "Preliminary Official Statement") to be distributed before the signing of the Contract of Purchase (referenced in Section 7(a) below), or in its final form after the execution and delivery of such Contract of Purchase.

"Ordinance" means this Ordinance.

"Underwriters" means Smith Barney, Harris Upham & Co., Incorporated and the other underwriters named as parties in the Contract of Purchase.

SECTION 3. Authorization of Use of Proceeds of the Series 1990 Bonds and of the Project. The costs of the Project, as provided in the Indenture (as executed), shall be and are hereby authorized to be financed by the issuance of the Series 1990 Bonds as described herein. The estimated costs of (1) the design, construction and equipping of the Project, as provided in the Indenture; (2) the payment of interest on and fees and charges of the Credit Provider (as defined in the Indenture), if any, for the Series 1990 Bonds during the period estimated to be required for the design, construction and equipping of the Project; (3) the funding of the Debt Service Reserve Requirement for the Series 1990 Bonds, as defined in the Indenture, if any; and (4) the expenses of issuing the Series 1990 Bonds, initial fees and charges of the Credit Provider, if any, for the Series 1990 Bonds and Underwriters' discount may be financed from the proceeds of the issuance of the Series 1990 Bonds. The Project is authorized to be designed, constructed and equipped according to the description and in the manner provided in Exhibits A and B attached to the Site Lease and in Exhibit A attached to the Use Agreement (as executed).

SECTION 4. Authorization, Terms and Payment of the Series 1990 Bonds.

(a) For the purpose of financing the costs of the Project there are hereby authorized to be issued by the City its Series 1990 Bonds designated as provided in the Indenture (as executed) in an aggregate principal amount not to exceed $50,000,000. The Series 1990 Bonds may be issuable in fully registered, physical certificated form or in book-entry only form registered in the name of a nominee of the Book-Entry Depository (as defined in the Indenture); shall be issued in Authorized Denominations (as defined in the Indenture); and shall be dated and numbered as provided in the Indenture (as executed).

(b) The Series 1990 Bonds shall mature no later than May 1, 2018, and shall bear interest at the fixed or variable rate set forth in the Indenture (as executed), which rate shall not at any time be greater than 15%.

(c) The date of issuance, numbers, Stated Maturity (as defined in the Indenture), interest rate or manner of determination thereof set forth in the Indenture (as executed), the principal amount of the Series 1990 Bonds, and the aggregate purchase price for the Series 1990 Bonds shall be determined as provided in Section 7 hereof. The principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Series 1990 Bonds shall be payable as provided in the Indenture (as executed).

(d) The Series 1990 Bonds shall be subject to mandatory and optional redemption and tender for purchase, if any, before their Stated Maturity upon the terms and conditions set forth in the Indenture (as executed).

SECTION 5. The Series 1990 Bonds are Limited Obligations. The Series 1990 Bonds shall be limited obligations of the City secured solely by a pledge of certain "Special Facility Revenues" (as defined in the Indenture) derived by the City under the Use Agreement, and by other specified sources pledged or otherwise provided under the Indenture (as executed), and shall be a valid claim of the owners thereof only against the funds and other moneys held by the Trustee with respect to the Series 1990 Bonds and such Special Facility Revenues, which Special Facility Revenues shall be used to pay the principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Series 1990 Bonds, and for such other purposes expressly authorized in the Use Agreement and the Indenture (each as executed). The Series 1990 Bonds will not be general obligations of the City and will not constitute any indebtedness or a loan of credit of the City, the State of Illinois or any political subdivision of the State of Illinois, or a charge against the general credit or taxing powers of the City, the State of Illinois or any political subdivision of the State of Illinois within the meaning of any constitutional or statutory provisions of the State of Illinois, or otherwise.

SECTION 6. Assignment. As security for the due and punctual payment of the principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Series 1990 Bonds herein authorized, the City will, in the Indenture (as executed), assign and pledge to the Trustee (i) Special Facility Revenues derived by the City under the Use Agreement (as executed), (ii) certain rights and remedies of the City under the Use Agreement and the Site Lease (each as executed), and (iii) any other rights or revenues assigned or pledged under the Indenture. Such assignment and pledge is hereby found and determined to be necessary and proper to secure the Series 1990 Bonds.

SECTION 7. Approval and Execution and Delivery of the Contract of Purchase, Letter of Representation and Official Statement; Delegation of Authority; Execution and Delivery of the Series 1990 Bonds.

(a) The forms of the Contract of Purchase and Letter of Representation submitted to this meeting is hereby approved in all respects. The Mayor or the City Comptroller is hereby authorized and directed, with the concurrence of the Chairman of the Committee on Finance of the City Council, to execute and deliver a Contract of Purchase providing for the sale of the Series 1990 Bonds to the Underwriters in substantially the form of the Contract of Purchase submitted to this meeting, and to execute, solely in confirmation and acceptance thereof, a Letter of Representation in substantially the form of Letter of Representation submitted to this meeting, in each case with such changes therein and completions thereof, subject to the limitations contained in paragraph (b) of this Section 7, as shall be deemed necessary or appropriate by the officer of the City executing the Contract of Purchase and the Letter of Representation, the execution thereof by such officer to constitute conclusive evidence of the approval of such changes and completions by the City Council. The officer of the City executing the Contract of Purchase and confirming the Letter of Representation is hereby authorized and directed to file an executed counterpart of each of such documents with the City Clerk and the Trustee on the date of the closing of the sale of the Series 1990 Bonds. The City Comptroller is hereby authorized to select a group of securities underwriters led by Smith Barney, Harris Upham & Co., Incorporated to act as Underwriters for the Series 1990 Bonds. The sale to the Underwriters of the Series 1990 Bonds pursuant to the terms and conditions of the Contract of Purchase are hereby approved.

(b) Authority is hereby delegated to the Mayor or the City Comptroller to determine the aggregate principal amount, the date of issuance, numbers, the Stated Maturity, the fixed or variable interest rate set forth in the Indenture (as executed), and the aggregate purchase price or prices of the Series 1990 Bonds; provided that (i) the aggregate principal amount, the final maturity date, and the interest rate of the Series 1990 Bonds shall not at any time exceed the limits set forth in Section 4, and (ii) the aggregate purchase price for the Series 1990 Bonds shall not be less than ninety-seven percent (97%) of the principal amount thereof to be issued.

(c) To evidence the exercise of the authority delegated to the Mayor and the City Comptroller pursuant to paragraph (b) of this Section 7, the Mayor or the City Comptroller is hereby authorized and directed to execute and file with the Trustee, on the date of the closing of the sale of the Series 1990 Bonds, a certificate setting forth the determinations made pursuant to the authority granted in such paragraph, which certificate shall constitute conclusive evidence of the proper exercise of such authority. In addition, the Mayor or the City Comptroller shall file in the Office of the City Clerk, on the date of the closing of the sale of the Series 1990 Bonds, a notification of sale of the Series 1990 Bonds setting forth (1) the aggregate principal amount of the Series 1990 Bonds, (2) the Stated Maturity of the Series 1990 Bonds, (3) the numbers of the Series 1990 Bonds, (4) the fixed or variable interest rate for the Series 1990 Bonds, (5) the aggregate purchase price at which the Series 1990 Bonds shall have been sold to the Underwriters, and (6) the total compensation paid to the Underwriters in connection with the sale of the Series 1990 Bonds. In addition, executed copies of the Preliminary Official Statement, the Indenture, the Use Agreement, the final Official Statement, the Contract of Purchase and the Letter of Representation shall be filed with such notification of sale.

(d) The form of Preliminary Official Statement of the City with respect to the Series 1990 Bonds (including certain optional information and statements to be inserted therein if the Series 1990 Bonds shall bear interest at a variable rate) submitted to this meeting is hereby approved in all respects. The Mayor or the City Comptroller is hereby authorized and directed to execute and deliver a Preliminary Official Statement to the Underwriters in substantially the form of the Preliminary Official Statement submitted to this meeting, with such changes therein and completions thereof, as shall be deemed necessary or appropriate by the officer of the City executing the Preliminary Official Statement, the execution thereof by such officer to constitute conclusive evidence of the approval of such changes and completions by the City Council. The distribution of the Preliminary Official Statement and of the Final Official Statement, in substantially the form of the form of Preliminary Official Statement submitted to this meeting, as authorized in the following sentence, to prospective purchasers and the use thereof by the Underwriters in connection with the offering of the Series 1990 Bonds are hereby authorized. The Mayor or City Comptroller is hereby authorized, in the name and on behalf of the City, to execute and deliver to the Underwriters the Final Official Statement, in substantially the form of the form of the Preliminary Official Statement submitted to this meeting, with such changes, omissions, insertions and revisions therein as shall be deemed necessary or appropriate by the officer of the City executing the Final Official Statement, the execution or acceptance thereof by such officer to constitute conclusive evidence of the approval of such changes, omissions, insertions and revisions and of the form of Final Official Statement by the City Council. The Mayor or the City Comptroller is hereby authorized to execute and deliver any certificates contemplated by Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, relating to the issuance and sale of the 1990 Bonds.

(e) The form of the Series 1990 Bonds (including certain optional provisions to be inserted therein if the Series 1990 Bonds shall bear interest at a variable rate) in substantially the form submitted to this meeting, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture and the Contract of Purchase (each as executed) is hereby approved. Pursuant to the Indenture, the Mayor or the City Comptroller shall execute the Series 1990 Bonds on behalf of the City, by manual or facsimile signature, and the corporate seal of the City or a facsimile thereof shall be affixed, imprinted, engraved or otherwise reproduced on the Series 1990 Bonds and they shall be attested by the manual or facsimile signature of the City Clerk. Upon such execution on behalf of the City, the Series 1990 Bonds shall be delivered to the Trustee for authentication and thereupon shall be authenticated by the Trustee and shall be delivered pursuant to written order of the City authorizing and directing the delivery of the Series 1990 Bonds to or upon the order of the Underwriters.

(f) No further approval or action of the City Council shall be necessary or required for the actions, executions and deliveries contemplated and directed in this Section 7 to be effective and any such actions, executions and deliveries shall constitute the legal and validly binding actions of the City.

SECTION 8. Execution of Other Documents; Delegation of Authority.

(a) Each of the Site Lease, the Use Agreement and the Indenture, in substantially the form submitted to this meeting, is hereby authorized and approved. The Mayor or the City Comptroller is hereby authorized, for and on behalf of the City, to execute and deliver the Site Lease, the Use Agreement, the Indenture and the City Tax Documents in substantially the forms submitted to this meeting and the City Clerk is hereby authorized as appropriate to attest the same and to affix thereto the corporate seal of the City. The Site Lease, the Use Agreement, the Indenture and the City Tax Documents may contain such changes therein and revisions consistent with the purposes and intent of this Ordinance as shall be deemed necessary or appropriate by the officer of the City executing the same, the execution or acceptance thereof to constitute conclusive evidence of approval of any and all changes therein or revisions thereof by the City Council; 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 or desirable to carry out and comply with the provisions of such agreements (as executed).

(b) No further approval or action of the City Council shall be necessary or required for the actions, executions and deliveries contemplated in and directed in this Section 8 to be effective, and any such actions, executions and deliveries will constitute the legal and validly binding actions of the City.

SECTION 9. Appointment of Trustee, Book-Entry Depository and Other Agents. The appointment of Independence Bank of Chicago and The First National Bank of Chicago, both of Chicago, Illinois, jointly and severally as Trustee under the Indenture is hereby authorized, approved and confirmed. The Mayor or the City Comptroller may, in such officer's discretion specify whether, for efficient administration thereof, the Series 1990 Bonds should be registered in book-entry only form, and if so determined such officer is authorized to appoint Depository Trust Company, New York, New York or Midwest Securities Trust Company, Chicago, Illinois (or their nominee) as securities depository for the Series 1990 Bonds. The securities depository and the agreements of the City relating thereto in the standard forms of such securities depository with such changes therein and completions thereof as deemed necessary or desirable by the officer of the City executing the same are hereby approved. The Mayor or the City Comptroller is hereby authorized, for and on behalf of the City, to execute and deliver such agreements of the City relating to the securities depository, and the City Clerk is hereby authorized, as appropriate, to attest the same and to affix thereto the corporate seal of the City, and such agreements may contain such changes therein and revisions consistent with the purposes and intent of this Ordinance as shall be deemed necessary or appropriate by the officer of the City executing the same, the execution of acceptance thereof to constitute conclusive evidence of approval of any and all changes therein or revisions thereof by the City Council. If the Series 1990 Bonds shall bear interest at a variable rate, the Mayor or the City Comptroller is authorized to appoint Smith Barney, Harris Upham & Co., Incorporated or such other of the Underwriters as such officer, in his discretion, may deem appropriate to act as remarketing agent for the Series 1990 Bonds and is further authorized to appoint First Chicago Trust Company of New York, Chemical Bank or such other depository institution located in New York City as such officer, in his discretion, may deem appropriate to act as tender agent for the Series 1990 Bonds.

SECTION 10. Credit Facility. The Mayor or the City Comptroller may, in such officer's discretion, select a Credit Facility (as defined in the Indenture) to support or secure payment of the Series 1990 Bonds, if deemed necessary or desirable by such officer for the efficient marketing of the Series 1990 Bonds, and upon any such determination, such officer is hereby authorized to select the Credit Provider (as defined in the Indenture) for the Series 1990 Bonds. The Credit Facility and the agreements of the City relating thereto in the standard forms of the Credit Provider, with such changes and completions thereof as shall be deemed necessary or desirable by the officer of the City executing the same, are hereby approved; provided that all costs of the Credit Facility shall be paid out of the proceeds of the sale of the Series 1990 Bonds or otherwise borne by the Airline. The Mayor or the City Comptroller is hereby authorized, for and on behalf of the City, to execute and deliver such agreements of the City relating to the Credit Facility, and the City Clerk is hereby authorized, as appropriate, to attest the same and to affix thereto the corporate seal of the City, and such agreements may contain such changes therein and revisions consistent with the purposes and intent of this Ordinance as shall be deemed necessary or appropriate by the officer of the City executing the same, the execution or acceptance thereof to constitute conclusive evidence of approval of any and all changes therein or revisions thereof by the City Council.

SECTION 11. Election to Apply Transition Rule; Allocation of Volume Cap.

(a) The City Comptroller is hereby authorized to designate all or any portion of the Series 1990 Bonds as bonds described in Section 1317(5)(B) of the Tax Reform Act of 1986.

(b) By the adoption of this Ordinance, the City hereby allocates to the Series 1990 Bonds and the Project volume cap authorization in accordance with Section 103(n) of the Internal Revenue Code of 1954, as amended, and Section 146 of the Internal Revenue Code of 1986, as amended, as and to the extent such volume cap authorization is appropriate or necessary to effectuate the designation authorized in paragraph (a) of this Section 11.

SECTION 12. Performance Provisions. The Mayor, the City Comptroller 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 1990 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, the City Comptroller, the City Clerk and the other officers, agents and employees of the City (including the Commissioners of the Department of Aviation and the Department of Public Works) shall be, and they are hereby, further authorized and directed for and on behalf of the City, to execute and deliver 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 148 of the Internal Revenue Code of 1986, as amended, with respect to the Series 1990 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 Site Lease, the Use Agreement, the Indenture, the City Tax Documents, the Preliminary Official Statement, the Final Official Statement, the Contract of Purchase and the Letter of Representation and to discharge all of the obligations of the City hereunder and thereunder.

SECTION 13. Proxies. The Mayor and the City Comptroller may each designate another person to act as their respective proxy and to affix their respective signatures to the Series 1990 Bonds, whether in temporary or definitive form, and to any other instrument, agreement, certificate or document required to be signed by the Mayor or the City Comptroller pursuant to this Ordinance. In each case, the Mayor or the City Comptroller shall send to the City Council written notice of the person so designated, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor or the City Comptroller, as the case may be. A written signature of the Mayor or the City Comptroller, as the case may be, respectively executed by the person so designated, shall be attached to such notice. Each such notice, with the signatures attached, shall be recorded in the Journal of the Proceedings of the City Council and filed with the City Clerk. When the signature of the Mayor or the City Comptroller is placed on an instrument, certificate or document at the direction of the Mayor or the City Comptroller, as the case may be, in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor or the City Comptroller in person, as the case may be.

SECTION 14. Equal Employment and Minority Business Participation. It is the policy of the City to comply with all local, state and federal laws and regulations, where applicable, regarding equal employment opportunity and minority business participation, and the City Council of the City is desirous that the City avoid penalties and grant forfeitures resulting from noncompliance with such local, state and federal laws and regulations.

SECTION 15. Severability. It is the intention of this City Council that if any section, paragraph, clause or provision 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.

SECTION 16. Captions. 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.

SECTION 17. Conflicting Provisions Repealed. 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.

SECTION 18. Publication. 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.

SECTION 19. Effective Immediately. This Ordinance shall be in full force and effect from and after its adoption.

Indenture of Trust, Special Facility Use Agreement, Preliminary Official Statement, Contract of Purchase, Letter of Representation, General Tax Certificate, Non-Arbitrage Certification, Arbitrage Compliance Agreement and Cargo Building Site Lease attached to this ordinance read as follows:

City Of Chicago

To

Independence Bank Of Chicago

And

The First National Bank Of Chicago,

As Trustee.

Indenture Of Trust

Securing Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Lufthansa German Airlines Project).

Dated As Of October 1, 1990.

This Indenture of Trust is dated as of October 1, 1990, and is from the City of Chicago (the "City"), a municipal corporation and home rule unit of local government duly organized and validly existing under the laws of the State of Illinois, to Independence Bank of Chicago, a banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Illinois, with its principal corporate trust office located at 7936 South Cottage Grove Avenue in Chicago, Illinois, and The First National Bank of Chicago, a banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, with its principal corporate trust office located at One First

National Plaza in Chicago, Illinois (each a "Trustee" and, as further hereinafter set forth, jointly and severally, the "Trustee").

Recitals:

Whereas, The City is a home rule unit of local government, duly organized and validly existing under the laws of the State of Illinois and in accordance with the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution") and is authorized to own and operate commercial and general aviation facilities; and

Whereas, The City currently owns and operates an airport known as Chicago-O'Hare International Airport (as further hereinafter defined, the "Airport"); 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 design, construction, reconstruction, improvement, equipping and modernization of facilities at the Airport and is in the process of implementing a major redevelopment of the Airport; and

Whereas, Deutsche Lufthansa Aktiengesellschaft, operating in the United States under the name "Lufthansa German Airlines", a corporation organized and existing under the laws of the Federal Republic of Germany (as further hereinafter defined, the "Airline"), is a holder of a foreign air carrier permit duly issued under the Federal Aviation Act of 1958, as amended, authorizing it to operate in foreign air transportation to and from the City of Chicago, and has entered into an International Terminal Use Agreement and Facilities Lease dated as of January 1, 1990, authorizing it to use certain facilities of the Airport in the transportation of passengers; and

Whereas, The City, as part of its redevelopment of the Airport, has entered into a Cargo Building Site Lease dated as of October 1, 1990 (as further hereinafter defined, the "Site Lease"), with the Airline, providing, among other things, for the design, construction and installation of certain improvements at the Airport (as further hereinafter defined, the "Project") by the Airline on behalf of the City and the lease, use and occupancy of the Project by the Airline; and

Whereas, By ordinance duly adopted by its City Council (as further hereinafter defined, the "Authorizing Ordinance"), the City has undertaken to issue and sell its Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project) in one or more Series (as further hereinafter defined, the "Bonds"), in order to provide funds to finance all or part of the costs of the Project, including without limitation costs of further improvements and other accessions to the Project (as further hereinafter defined, "Additions") and costs and expenses incidental to the Project (including such Additions) and costs and expenses incidental to the Project and to the issuance of each Series of the Bonds; and

Whereas, Pursuant to the Authorizing Ordinance, the City has entered into a Special Facility Use Agreement (Cargo Facility) dated as of [October 1], 1990 (as further hereinafter defined, the "Agreement"), with the Airline, wherein the Airline has, among other things, undertaken to pay, in addition to other moneys available for the purpose, amounts sufficient to pay the Bonds in full; and

Whereas, The City desires to secure the Bonds by a pledge of its revenues and receipts and certain of its rights under the Agreement; and

Whereas, The execution and delivery of this Indenture and the issuance and sale of the Bonds have been in all respects duly and validly authorized by the Authorizing Ordinance; and

Whereas, The Bonds and the Trustee's certificate of authentication to be endorsed thereon are all to be in substantially the forms set forth as Exhibit A attached hereto and by this reference incorporated herein, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

Whereas, The project constitutes a "Special Facility Improvement", the Bonds constitute "Special Facility Revenue Bonds" and the Agreement and this Indenture, together with the other documents contemplated hereby, constitute a "Special Facility Financing Arrangements", all within the meaning of, and as defined by, the City's General Airport Revenue Bond Ordinance (as hereinafter defined); and

Whereas, The Special Facility Revenues (as hereinafter defined) provided under the Agreement have been assigned and pledged by the City to the Trustee to secure the payment of the principal of and interest and redemption premium, if any, on the Bonds as provided in the Indenture, and the Airline has agreed in the Agreement that the Special Facility Revenues will be sufficient to pay in full such principal of and interest and redemption premium, if any, on the Bonds; and

Whereas, The Special Facility Revenues will not constitute "Revenues" within the meaning of, and as defined by, and the General Airport Revenue Bond Ordinance and accordingly are free of any assignment, pledge, lien or security interest in favor of the holders and owners of the City's General Airport Revenue Bonds as hereinafter defined in this Indenture or any person other than the Trustee; and

Whereas, The execution and delivery of the Bonds and of this Indenture have been duly authorized, and all things necessary to make the Bonds, when executed by the City and authenticated by the Trustee, valid and binding legal obligations of the City and to make this Indenture a valid and binding agreement have been done;

Now, Therefore, This Indenture Of Trust Witnesseth:

That the City in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, One Dollar duly paid to the City by the Trustee at or before the execution and delivery of these presents and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of and interest on all Bonds outstanding hereunder from time to time, according to their tenor and effect and to secure the observance and performance by the City of all the covenants expressed or implied herein and in the Bonds, does hereby pledge and assign unto the Trustee, and unto its successors and assigns forever:

Granting Clause First.

The Agreement, including all extensions and renewals of the term thereof, if any, together with all right, title and interest of the City therein (except for Unassigned Rights and the right of the Trustee to payment of its fees and expenses pursuant to Section 4.2(d) of the Agreement), including, but without limiting the generality of the foregoing, the present and continuing right to receive receipt for, collect or make claim for any of the moneys, income, revenues, issues, profits and other amounts payable or receivable thereunder, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things that the City or any other person is or may become entitled to do under the Agreement;

Granting Clause Second.

All payments to be received by the City (except as provided in the preceding paragraph) under the Agreement, together with all other Special Facility Revenues, and all moneys and earnings thereon held by the Trustee in the Special Facility Revenue Fund, the Construction Fund, the Debt Service Reserve Fund and the Bond Fund under the terms of this Indenture; and

Granting Clause Third.

Any and all other property of any nature from time to time hereafter by delivery or by writing of any kind pledged or assigned 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 time and all times and to hold and apply the same subject to the terms hereof;

To Have And To Hold, all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever;

But In Trust, Nevertheless, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds from time to time issued under and secured by this Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as expressly provided herein with respect to different Series of the Bonds;

Upon Condition that if the City, its successors or assigns, shall well and truly cause to be paid the principal of the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under Article IV hereof or shall provide, as permitted by Article XII hereof, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof to the extent provided herein, then this Indenture and the rights hereby granted shall cease, determine and be void; 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 the Special Facility Revenues hereby assigned and 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 owners from time to time of the Bonds as follows:

Article I.

Definitions.

Section 101. Definitions.

(a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) All references in this Indenture to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisons of this Indenture. The words "herein", "hereof", "hereto", "hereby", and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(2) The terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular.

(3) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(4) Every "request", "order", "demand", "application", "appointment", "notice", "statement", "certificate", "consent" or similar action required to be taken hereunder by the City shall, unless the form thereof is specifically provided, be in writing signed by the Authorized City Representative.

(5) Any other terms used herein that are defined in the Agreement shall have the same meanings assigned them in the Agreement unless otherwise defined herein or unless the context otherwise requires.

(6) In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding".

(7) At any time there are more than one Trustee hereunder, with respect to the performance of duties imposed and exercise of powers granted to the Trustee hereunder, the word "Trustee" shall refer to whichever of the several Trustees shall be responsible for each of the duties imposed upon and powers granted to the Trustee hereunder. Notwithstanding any such agreement and unless expressly otherwise provided herein, the several Trustees shall be jointly and severally liable for each of such duties and all other obligations of the Trustee hereunder

and shall be jointly and severally authorized hereunder to exercise each of such powers, and the word "Trustee" shall otherwise refer to the several Trustees jointly and severally.

(b) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

"Additions" means any further improvements or other accessions to the Project as may hereafter be deemed necessary or desirable by the City and the Airline during the term of the Site Lease and made subject to its provisions that are financed by the issuance of Bonds hereunder.

"Administrative Expenses" means all costs and expenses, whether Ordinary Expenses or Extraordinary Expenses, of, or incidental to, the administration of this Indenture, any Supplemental Indentures and the Agreement that are payable by the Airline under the Agreement or payable out of the Administrative Fund or the Trust Estate hereunder, including without limitation fees, premiums, interest amounts and other charges of and costs and expenses incurred by the Trustee, any Co-Trustee, any of their agents and employees, of any Credit Provider (other than the Airline or any of its affiliates), or any other Person designated in any Supplemental Indenture.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, and for the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Aggregate Cost" of the Project or any Additions means the sum of all Costs thereof.

"Agreement" means the Special Facility Use Agreement (Cargo Facility) of every date herewith relating to the Bonds, by and between the City and the Airline, as from time to time amended and supplemented.

"Airline" means Deutsche Lufthansa Aktiengesellschaft, operating in the United States under the name "Lufthansa German Airlines", a corporation organized under the laws of the Federal Republic of Germany, and any surviving, resulting or transferee corporation as permitted under Section 5.3 of the Agreement.

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

"Architect" means the architect or firm of architects selected by the Airline and approved by the City that is acting at the time as the architect for the Project.

"Authorized Airline Representative" means such person who, at the time, shall have been designated as such pursuant to the provisions of Section 3.5 of the Agreement by a written certificate furnished to the City and the Trustee containing the specimen signature of such person and signed on behalf of the Airline by its President, any Vice President, Treasurer or Assistant Treasurer. Such certificate may designate an alternate or alternates.

"Authorized City Representative" means the Comptroller of the City or such other person at the time designated to act on behalf of the City by a written certificate furnished to the Airline and the Trustee containing the specimen signature of such person and signed on behalf of the City by its Executive Officer. Such certificate may designate an alternate or alternates.

"Authorized Denominations" means any integral multiple of $5,000, unless otherwise specified with respect to a particular Series of Bonds in this Indenture.

"Authorizing Ordinance" means the Ordinance adopted by the City Council of the City on [Ordinance Date] authorizing the issuance of the Series 1990 Bonds, the execution and delivery by the City of and its performance of its obligations under this Indenture, the Agreement, the Site Lease and other documents required or advisable in connection with the consummation of the transactions contemplated therein, as it may be amended or supplemented by further ordinances of the Governing Body of the City from time to time.

"Bond" or "Bonds" means any one or more of the bonds authorized, authenticated and delivered under this Indenture.

"Bond Counsel" means an attorney-at-law or a firm of attorneys-at-law of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia, selected by the City and approved by the Airline, which approval shall not be unreasonably withheld.

"Bond Fund" means the fund created by Section 405 hereof.

"Bond Registrar" means the bond registrar appointed as such under Section 205 hereof, including any co-bond registrar.

"Bondholder" or "holder of Bonds" or "owner of Bonds" means the Registered Owner of any Bond.

"Book-Entry Depository" means Midwest Securities Trust Company, Chicago, Illinois, or any other depository institution designated by the City, whether as successor thereto or in replacement thereof or independently, in this Indenture to act as a depository in connection with a book-entry system for maintaining ownership of interests in the Series 1990 Bonds or any other Bonds, as the case may be.

"Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks in New York, New York, Chicago, Illinois, or Cologne, Germany, are authorized by law or executive order to close.

"City" means the City of Chicago, a municipal corporation and home rule unit of local government duly organized and validly existing under the laws of the State of Illinois.

"Code" means the United States Internal Revenue Code of 1986, as amended and the Internal Revenue Code of 1954, as amended, to the extent applicable to the Bonds pursuant to Section 1317(5)(B) of the Tax Reform Act of 1986 (P.L. 99-514). References to the Code and to sections of the Code shall include relevant final, temporary or proposed regulations thereunder as in effect from time to time and as applicable to the Bonds.

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

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

"Completion Date" of the Project or of any Additions means the date of completion thereof as that date shall be certified in accordance with Section 3.4 of the Agreement.

"Construction Fund" means the fund created by Section 301 of this Indenture.

"Construction Period" with respect to the Project or any Additions means the period between the beginning of construction thereof or the date on which the initial Series of Bonds whose proceeds are used to finance the construction thereof are first delivered to the purchasers of such Series, whichever is earlier, and the Completion Date thereof.

"Cost" or "Costs" of the Project or any Additions means individually or collectively any of the items of cost or expense described in Section 303 hereof authorized to be paid from the Construction Fund pursuant to the provisions of Section 304 hereof.

"Costs of Issuance" means any or all of the following costs and expenses: the initial or acceptance fee of the Trustee, Trustee fees and expenses incurred during the Construction Period, legal, financial and accounting fees and expenses, and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Bonds, the execution and filing, if any, of the Indenture and the Agreement, and the preparation of all other documents in connection therewith, and payment of all fees, costs and expenses in connection with the preparation of the Agreement, the Site Lease, the Indenture, and the Bonds and the consummation of the transactions contemplated hereby.

"Counsel" means an attorney-at-law or a firm of attorneys-at-law (who may be an employee of or counsel to the City, the Airline or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"Credit Facility" means, [with respect to all Bonds, the Guaranty of the Airline and,] with respect to any particular Series of Bonds (or specified Stated Maturity thereof), the guaranty, irrevocable letter of credit, line of credit, bond insurance or other form of credit enhancement and/or liquidity support, if any, including any alternate or replacement Credit Facility, for such Series of Bonds specified in this Indenture with respect to such Series of Bonds.

"Credit Provider" means, with respect to any particular Series of Bonds, the provider of a Credit Facility, if any, for such Series of Bonds specified in this Indenture with respect to such Series of Bonds.

"Debt Service Reserve Fund" means the fund created by Section 408 hereof.

"Debt Service Reserve Requirement" means, at any time, for a particular Series of Bonds or the Series Account in the Debt Service Reserve Fund with respect to such Series, the balance then required to be maintained in the Debt Service Reserve Fund or in the Series Account, if any, with respect to such Series, as determined pursuant to the provisions of Sections 204 and 211 hereof.

"Default" or "default" or "event of default" means an occurrence or event specified in and defined by Section 801 hereof.

"Executive Officer" means the Mayor of the City, the Comptroller of the City, or such other person as the Mayor shall designate in writing to perform any function or duty required by any provision of this Indenture or the Agreement to be performed by the Executive Officer.

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

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

"Force majeure" means any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the governments of the United States or the State, or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; lightning; earthquakes; fires; tornadoes; volcanic eruptions; storms; droughts; floods; explosions; breakage or malfunction or accident to machinery, transmission lines, pipes or canals, even if resulting from negligence; civil disturbances; or any other cause not reasonably within the control of the Airline.

"General Airport Revenue Bond Ordinance" means the 1983 Chicago-O'Hare International Airport General Airport Revenue Bond Ordinance, as adopted by the Governing Body of the City on March 31, 1983, as amended or supplemented from time to time in accordance with its terms.

"General Airport Revenue Bonds" means bonds of the City heretofore or hereafter authenticated and delivered pursuant to the General Airport Revenue Bond Ordinance.

"Governing Body" means the City Council of the City, or any successor as legislative governing body of the City.

"Governmental Obligations" means (i) any bonds or other obligations of the United States of America that as to principal and interest constitute direct obligations of the United States of America or the full and timely payment of which are unconditionally guaranteed by the United States of America, are noncallable and at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein or (ii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clause (i) of this definition.

"Guaranty" means the Irrevocable and Unconditional Guaranty dated as of October 1, 1990 of the Airline of the payment of all principal of and interest on the Bonds.

"Indenture" means this instrument as originally executed as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Interest Payment Date" means the first (1st) day of each [April] and October, beginning with [April] 1, 1991, or, if such day is not a Business Day, then the first Business Day thereafter, unless otherwise specified with respect to a particular Series of Bonds, in this Indenture.

"Investment Securities" means any of the following obligations or securities, to the extent permitted by law, on which neither the Airline nor any of its direct or indirect subsidiaries or affiliates (within the meaning of Section 1301 hereof) is the obligor:

(i) direct obligations of the United States of America and agencies thereof, or

(ii) obligations fully guaranteed by the United States of America, or

(iii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least $300,000,000 (including the Trustee if such conditions are met), or

(iv) commercial paper of any holding company of a bank, trust company or national banking association described in clause (iii), or

(v) bearer note deposits with, or certificates of deposit issued by, or promissory notes of, any subsidiary incorporated under the laws of Canada or any province thereof of any bank, trust company or national banking association described in clause (iii), or

(vi) commercial paper of companies having a rating assigned to such commercial paper by S. & P. or Moody's (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization, or

(vii) certificates of deposits denominated in United States Dollars issued by, or United States Dollar time deposits with, the European subsidiaries of (a) any bank, trust company or national banking association incorporated or doing business under the laws of the United

States of America or one of the states thereof having combined capital and surplus and retained earnings of at least $300,000,000 or (b) any other bank having combined capital and surplus and retained earnings of at least $300,000,000, or

(viii) Yankee certificates of deposit or commercial paper, both denominated in United States Dollars, issued by, or bankers' acceptances denominated in United States Dollars of, any bank having combined capital and surplus and retained earnings of at least $300,000,000 and headquartered in West Germany, Canada, France, Japan, the United Kingdom, Switzerland or the Netherlands (provided that any investment made pursuant to this clause (viii) shall be in a minimum amount of $1,000,000), or

(ix) time deposits denominated in United States Dollars with any Canadian bank having a combined capital and surplus and retained earnings of at least $300,000,000, or

(x) money market accounts of the Trustee or any bank whose debt obligations are rated at least P-1 or Aa by Moody's or at least A-1 or AA by S. & P., or whose holding company parent's debt obligations are rated at least A-1 or AA by S. & P. or at least P-1 or Aa by Moody's or combined capital and surplus is not less than $30,000,000, or

(xi) repurchase agreements with any financial institution or securities dealer having combined capital and surplus and retained earnings of at least $50,000,000 with any of the obligations of the type described in clauses (i) through (ix) above as acceptable collateral, provided that the term of any such repurchase agreement shall not exceed 90 days.

The parties hereto agree that the definition of Investment Securities may be amended from time to time on written notice from the Airline, in accordance with Section 1001.

"Leased Premises" means the Demised Premises as defined in the Site Lease, including the Project.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Airline and acceptable to the Trustee.

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

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered and those expenses, including fees of counsel, normally incurred by a trustee or paying agent under instruments similar to this Indenture.

"Outstanding" or "outstanding" or "Bonds Outstanding", in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under this Indenture, except:

(i) Bonds theretofore cancelled or required to be cancelled under Section 210 hereof;

(ii) Bonds that are deemed to have been paid in accordance with Section 410 or Article XII hereof; and

(iii) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

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

"Plans and Specifications" means the plans and specifications describing the Project or any Additions, as originally submitted and as amended from time to time and approved by the City, all in accordance with the Site Lease, as duly certified by an Authorized Airline Representative.

"Project" means certain improvements constituting a cargo facility at the Airport, which are more fully described in Exhibit A to the Agreement, as said Exhibit A may from time to time be amended.

"Qualified Airport Facilities" means airports and directly related storage and training facilities within the meaning of and qualifying under Section 142(a) of the Code.

"Qualified Costs of Construction" means that portion of the Aggregate Cost of the Project that comprises items constituting or included in Qualified Airport Facilities, which items will be charged to the Project's capital account for federal income tax purposes or would be so chargeable either with a proper election by the owner of the Project under the Code or but for a proper election by the owner of the Project to deduct the amount thereof, and were incurred and paid, or are to be incurred and paid, after [Initial Ordinance Date].

"Rebate Fund" means the fund created by Section 415 hereof and administered in accordance with the Tax Documents.

"Record Date" means the close of business on the fifteenth (15th) day of the month immediately preceding each Interest Payment Date, unless otherwise specified with respect to a particular Series of Bonds in this Indenture.

"Recording Officer" means the City Clerk or Deputy City Clerk of the City.

"Registered Owner" or "Owner" means the Person or Persons in whose name or names a Bond shall be registered on books of the City kept for that purpose in accordance with the terms of this Indenture.

"S. & P." means Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of [ ], its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S. & P." shall be deemed to refer to any other nationally recognized securities rating agency designated by the Airline and acceptable to the Trustee.

"Series" means all of the Bonds authenticated and delivered on a single date on original issuance and designated as a Series pursuant to this Indenture.

"Series Account" or "Series Sub-Account" means, with respect to any Series of Bonds, the account or sub-account, as the case may be, in any Fund or account therein in which moneys applicable to such Series are deposited and from which they are disbursed pursuant to the terms of this Indenture.

"Series 1990 Bonds" means the Series of Bonds issued pursuant to Section 204 of this Indenture.

"Site Lease" means the Cargo Building Site Lease dated as of October 1, 1990, between the City, as lessor, and the Airline, as lessee, as amended.

"Special Facility Revenue Fund" means the fund created by Section 402 of this Indenture.

"Special Facility Revenues" means the amounts pledged hereunder to the payment of principal of and interest and redemption premium, if any, on the Bonds, comprising the following: (i) all amounts payable from time to time by the Airline under the Agreement, except for Unassigned Rights and all receipts of the Trustee credited under the provisions of this

Indenture or the Agreement against said amounts payable (including without limitation any excess rents payable by a replacement tenant under Section 12.01(c) of the Site Lease that are available to the Trustee for payment of such principal, interest or redemption premium), and (ii) any amounts paid into the Bond Fund from the Construction Fund or the Debt Service Reserve Fund or otherwise, including income on investments.

"State" means the State of Illinois.

"Stated Maturity" means with respect to any Bond the date specified in such Bond as the fixed date on which the entire principal amount of such Bond is due and payable.

"Supervising Consultant" means the person designated by the Commissioners pursuant to paragraph 2(b) of Exhibit C to the Site Lease.

"Tax Documents" means the Arbitrage Compliance Agreement by and among the City, the Airline and the Trustee, the General Tax Certificate and the Non-Arbitrage Certification executed by the City and the Airline's Project Cost and Tax Certificate executed by the Airline, each dated as of October 1, 1990, and any similar agreement or certificate setting forth various arbitrage related representations and/or covenants with respect to any particular Series of Bonds, as each may from time to time be amended or supplemented.

"Trustee" means either Independence Bank of Chicago, Chicago, Illinois, or The First National Bank of Chicago, Chicago, Illinois, jointly and severally, any successor to either of them serving as trustee hereunder pursuant to Section 906 or Section 909 hereof, and any separate or co-trustee serving as such hereunder.

"Trust Estate" means, subject to the provisions of Section 415 hereof, the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

"Unassigned Rights" means the rights of the City to execute and deliver (subject to the provisions of the Agreement and this Indenture), or to decline to execute and deliver, supplements or amendments to the Agreement or this Indenture, the rights of the City to receive documentation and notices under the Agreement, the rights of the City under Sections 3.1(a) and 3.4(b) of the Agreement and the rights of the City to be held harmless, to be reimbursed for its expenses and to be indemnified under Sections 4.2(c), 5.4, 5.8, 5.9 and 6.4 of the Agreement, and to enforce such rights in its own name and for its own account to the extent provided in Section 6.2 of the Agreement or in its sole discretion to waive the same in particular instances under Section 6.5 of the Agreement.

Article II.

The Bonds.

Section 201. Authorization For This Indenture And The Bonds.

(a) This Indenture is adopted by virtue of and pursuant to the home rule powers of the City. The City has ascertained and hereby determines and declares that the adoption of this Indenture is necessary to meet the commercial and general aviation needs of the citizens of the City, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the City and to carry out its powers and is in furtherance of the public benefit, safety and welfare of the City, and that each and every covenant or agreement contained and made herein is necessary, useful or convenient in order better to secure the Bonds issued hereunder and are contracts or agreements necessary, useful and convenient to carry out and effectuate the corporate purposes of the City.

(b) In consideration of the purchase and acceptance of Bonds issued hereunder by those who shall hold the Bonds from time to time, the provisions of this Indenture shall be a part of the contract of the City with the holders of such Bonds and shall be deemed to be and shall constitute a contract between the City, the Trustee and the holders from time to time of such Bonds.

(c) In order to provide sufficient funds for the financing of the Project and any Additions, Bonds are hereby authorized to be issued from time to time in one or more Series as hereinafter provided, without limitation as to amount, except as provided herein or as may be limited by law, for the purposes of (i) the payment, or the reimbursement for the payment of, the Costs of the Project or any Additions, as provided in Sections 303 and 304 hereof, or (ii) the funding of any Fund or account or sub-account therein created by this Indenture, including, in case of each Series of Bonds, payment of Costs of Issuance thereof.

(d) All Series of the Bonds and the interest thereon shall be equally and ratably secured by the pledge of Special Facility Revenues contained in this Indenture.

Section 202. Title, Form And Other General Terms Of Bonds.

(a) Title. The general title of the Bonds of all Series shall be "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa

German Airlines Project)". With respect to the Bonds of any particular Series, the City may incorporate in or add to the general title of such Bonds any words, letters or figures designed to distinguish that Series.

(b) Form. The Bonds and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by and more particularly set forth elsewhere in this Indenture or in an indenture supplemental hereto with respect to a particular Series of Bonds, and may have such letters, numbers or other marks of identification and such legends or endorsement placed thereon as may be required to comply with the rules of any securities exchange, or as may, consistently herewith, be determined by the Executive Officers executing such Bonds as evidenced by this execution thereof and as required or permitted by the Authorizing Ordinance. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

(c) Reproduction. The definitive Bonds shall be printed, lithographed or engraved or produced by any combination of these methods or produced in any other manner permitted by the rules of any securities exchange or which any Series of the Bonds may be listed or any depository for maintaining ownership of any Series of Bonds through a book-entry system, all as determined by the Executive Officers executing such Bonds as evidenced by their execution thereof and as required or permitted by the Authorizing Ordinance.

(d) Only Registered Bonds. The Bonds shall be issuable only as fully registered bonds without coupons in Authorized Denominations and shall be numbered as determined by the Trustee unless the City shall otherwise direct.

(e) Manner of Payment. Except as otherwise specified in this Indenture with respect to a particular Series of Bonds, the principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee; provided that the payment of interest alone with respect to the Bonds shall be made to the Registered Owner thereof:

(1) by check or draft mailed on the applicable Interest Payment Date to the Registered Owner as of the close of business on the applicable Record Date, at his address as it appears on the registration books of the City; or

(2) by wire transfer on the applicable Interest Payment Date to any Registered Owner of $500,000 or more in aggregate principal amount of the Bonds as of the close of business on the applicable Record Date if such

Registered Owner shall provide written notice to the Trustee not less than fifteen (15) days before such Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice) of such wire transfer address in the continental United States as such Registered Owner shall specify,

except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Bonds are registered at the close of business on the fifth (5th) Business Day next preceding the date of payment of such defaulted interest. Payment of principal shall be made only upon presentation and surrender of each Bond, as the same becomes due, at the principal corporate trust office of the Trustee.

(f) Interest on Bonds. Each Series of Bonds shall bear interest from the most recent Interest Payment Date with respect to such Series to which interest has been paid in full or duly provided for (or, if none, from the initial date such Series of Bonds shall be dated), until payment of the principal thereof shall have been made or provided for in accordance with the provisions of this Indenture, whether at Stated Maturity, upon redemption, by acceleration or otherwise. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue interest at the rate borne by such Bond on the day the same became due.

Section 203. Terms Of Particular Series.

Each Series of Bonds, except the Series 1990 Bonds created by Section 204 hereof, shall be created by an indenture supplemental hereto authorized by the Governing Body of the City establishing the terms and provisions of such Series of Bonds and the form of the Bonds of such Series. The several Series of Bonds may differ from the Series 1990 Bonds and as between Series in any respect not in conflict with the provisions of this Indenture and as may be prescribed in the supplemental indenture creating such Series.

Section 204. Terms Of The Series 1990 Bonds.

(a) Following the execution of this Indenture, the City may issue an initial Series of Bonds, designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project), Series 1990" (as hereinabove defined, the "Series 1990 Bonds"), and the aggregate principal amount thereof to be issued under this Indenture shall not exceed $[45,000,000]. The Series 1990 Bonds shall be in the form of Exhibit A hereto with such insertions, omissions, substitutions and variations as may be determined by the Executive Officers executing the same, relying on the advice of Bond Counsel, as evidenced by their execution thereof to reflect the applicable of the Series 1990 Bonds established by this Section. Each of the Series 1990 Bonds shall bear the identifying letter "R", followed by an Arabic numeral to be assigned to each, such numbers to be assigned consecutively from "I" upwards.

(b) The Series 1990 Bonds initially shall be dated as of October 1, 1990, and each Series 1990 Bonds subsequently issued in exchange for another Series 1990 Bond or Bonds shall be dated as of the most recent Interest Payment Date or other date to which interest has been paid or duly provided for.

(c) Each Series 1990 Bond shall bear interest at the rate of [Interest Rate]% per annum from its date, or from the most recent Interest Payment Date or other date to which interest has been paid or duly provided for, until the principal amount thereof is paid or duly provided for, beginning [April] 1, 1991, and semiannually thereafter on [April] 1 and October 1 in each year (as hereinabove defined, each an "Interest Payment Date"), calculated on the basis of a 360-day year comprising twelve 30-day months.

(d) The Series 1990 Bonds may be redeemed by the City, at the option of the Airline, on any Business Day on or after October 1, [ ], in whole or in part, at the redemption prices (expressed as percentages of the principal amount of the Bonds to be so redeemed) set forth in the following table plus accrued interest to the date fixed for redemption:

Period (both dates inclusive)	Redemption Price
[ ] through [ ]	[102%]
[ ] through [ ]	[101%]
[ ] and thereafter	100%,

pursuant to the applicable provisions of Article VI hereof.

(e) The proceeds from the issuance and sale of the Series 1990 Bonds, minus underwriters' discount of $[ ] and original issue discount of $[ ], plus accrued interest, shall be applied for the purposes set forth in this Indenture, and to such end upon receipt shall be deposited as follows:

(1) There shall be deposited $[ ], representing a portion of the capitalized interest, in the Capitalized Interest Account in the Construction Fund.

(2) There shall be deposited $[ ] in the Costs of Issuance Account in the Construction Fund.

(3) There shall be deposited $[ ] in the Debt Service Reserve Fund in satisfaction of the Debt Service Reserve Requirement for the Series 1990 Bonds.

(4) There shall be deposited $[ ], representing accrued interest on the Series 1990 Bonds, in the Interest Account in the Bond Fund.

(5) There shall be deposited $[ ], representing the balance of the net proceeds of the issuance and sale of the Series 1990 Bonds, in the Construction Account in the Construction Fund.

(f) The City hereby designates Midwest Securities Trust Company, Chicago, Illinois, to act as Book-Entry Depository with respect to the Series 1990 Bonds. The City hereby authorizes and directs the Trustee to, and covenants and agrees that the City itself will, execute and deliver such agreements and instruments as shall be reasonably requested by the Book-Entry Depository as necessary or advisable in order to effectuate such book-entry system as administered by such Book-Entry Depository, the provisions of which shall in no event be inconsistent with or contradict the provisions of this Indenture.

(g) The Debt Service Reserve Requirement for the Series 1990 Bonds shall equal the least of (i) ten percent (10%) of the original aggregate principal amount of the Series 1990 Bonds, (ii) the maximum amount of interest payable on the Series 1990 Bonds on any two consecutive Interest Payment Dates, or (iii) the maximum amount permitted under the Code. Moneys on deposit in the Debt Service Reserve Fund with respect to the Debt Service Reserve Requirement for the Series 1990 Bonds shall not be available to pay the principal of or interest on any Series of Bonds other than the Series 1990 Bonds.

Section 205. Registration, Transfer And Exchange.

(a) 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. With the consent of the Airline, the Trustee may appoint any other bank, trust company or national banking association with its principal corporate trust office located in Chicago, Illinois, to act as authenticating agent or co-bond registrar under such conditions as the Trustee may prescribe. References herein to the Bond Registrar shall be deemed to include any such authenticating agent or co-bond registrar to the extent permitted by, and consistent with, the conditions prescribed by the Trustee in its appointment of any such authenticating agent or co-bond registrar.

(b) Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the City shall cause to be executed and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds, for a like aggregate principal amount.

(c) Bond accompanied by an assignment duly executed by the Registered Owner thereof or his duly authorized attorney, in such form as shall be satisfactory to the Bond Registrar, may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations. The City shall cause to be executed and the Trustee shall authenticate and deliver Bonds that the Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding. The execution in accordance with Section 206 hereof by the Executive Officer and the attestation by the Recording Officer of any Bond of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond. The Trustee shall not be required to transfer or exchange any Bond during the period beginning 15 days before the mailing of any notice calling such Bond or any portion thereof for redemption and ending on the redemption date.

(d) As to any Bond, the Registered Owner shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest of any such Bond shall be made only to or upon the order of the Registered Owner thereof or his attorney duly authorized in writing, 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.

(e) Exchanges and transfers shall be made without charge to the Bondholders; provided that in each case the Trustee shall require the payment by the Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect thereto.

Section 206. Execution; Limited Obligation.

(a) The Bonds shall be executed on behalf of the City with the facsimile signature of its Executive Officer and attested with the facsimile signature of its Recording Officer, and shall have impressed or printed thereon a facsimile of the corporate seal of the City. Any such facsimile signature shall have the same force and effect as if said Executive Officer or said Recording Officer had manually signed each of said Bonds. If any officer, a facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

(b) The Bonds, together with interest thereon, shall be limited obligations of the City giving rise to no pecuniary liability of the City nor any charge against its general credit or taxing power, shall be payable solely from the Special Facility Revenues and other moneys pledged therefor under this Indenture, and shall be a valid claim of the respective Owners thereof only against the Special Facilities Revenue Fund, the Bond Fund, the Construction Fund, the Debt Service Reserve Fund, the Special Facility Revenues and other moneys held by the Trustee. The Bonds are not in any respect a general obligation of the City, nor are they payable in any manner from revenues raised by taxation. The Project is not security for the Bonds, and the Bonds are not secured by any other properties or improvements at the Airport or the Revenues (as defined in the General Airport Revenue Bond Ordinance) or any other revenues derived by the City from the operation of the Airport generally.

(c) No recourse shall be had for the payment of the principal of or interest or redemption premium, if any, on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against any past, present or future officer, employee or agent, or member of the Governing Body of the City, or any successor to the City, as such, either directly or through the City or any successor to the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, employee or agent, or member of the Governing Body, as such, is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of any of the Bonds.

Section 207. Authentication.

No Bond shall be valid for any purpose until the certificate of authentication on such Bond shall have been duly executed by the Trustee, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of the trust hereby treated. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

Section 208. Mutilated, Destroyed, Lost, Stolen, Or Undelivered Bonds.

(a) Upon receipt by the City and the Trustee of evidence satisfactory to both of them that any Outstanding Bond has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to both of them, the City, in its discretion, may execute and thereupon the Trustee shall authenticate and deliver a new Bond of the same maturity and of like tenor as the mutilated, destroyed, lost or stolen Bond, but bearing a number not contemporaneously outstanding. If any such Bond shall have matured, instead of issuing a replacement Bond, the City may pay the same without surrender thereof. The City and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in this connection.

(b) The City shall cooperate with the Trustee in connection with the issue of replacement Bonds, but nothing in this Section shall be construed in derogation of any rights that the City, the Airline or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issuance of a replacement Bond. In executing a new Bond as provided for in this Section 208, the City may rely conclusively on a representation of the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond.

(c) Every substituted Bond issued pursuant to this Section 208 shall constitute an additional contractual obligation of the City (as provided in this Indenture), whether or not the Bond alleged to have been mutilated, destroyed, lost or stolen or any undelivered Bonds shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

(d) All Bonds shall be owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost, stolen or undelivered Bonds, and shall preclude any and all other rights or remedies.

Section 209. Temporary Bonds.

Pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the City may issue and, upon the request of the City, the Trustee shall authenticate, in lieu of definitive Bonds, one or more temporary typewritten or printed Bonds in Authorized Denominations of substantially the tenor recited above. Upon request of the City, the Trustee shall authenticate definitive Bonds in Authorized Denominations in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 210. Cancellation And Disposition Of Surrendered Bonds.

(a) Upon full payment of any Outstanding Bond or whenever any Outstanding Bond shall be delivered to the Trustee for transfer or for exchange, for cancellation pursuant to this Indenture, or for replacement pursuant to Section 208 hereof, such Bond shall be promptly cancelled by the Trustee and disposed of by the Trustee in accordance with a written direction of an Authorized Airline Representative, and counterparts of a certificate evidencing such disposition shall be furnished by the Trustee to the City and the Airline.

(b) If, before the maturity of any Bond, the Airline surrenders any Bond to the Trustee for cancellation, the Trustee shall cancel such Bond.

Section 211. Issuance And Delivery Of The Bonds.

(a) Upon the execution and delivery of this Indenture, the City shall execute and deliver to the Trustee and the Trustee shall authenticate each Series of the Bonds and deliver them to the purchasers as directed by the City as hereinafter in this Section provided.

(b) Before the delivery by the Trustee of any of the Bonds under this Section 211, there shall be filed with the Trustee:

(1) A copy, duly certified by the Recording Officer, of the Authorizing Ordinance;

(2) Original executed counterparts of the Agreement and this Indenture;

(3) An original executed counterpart of the Guaranty;

(4) An opinion of Counsel to the City to the effect that (i) the City has the right and power to execute and deliver this Indenture, the Agreement and the Site Lease; (ii) this Indenture, the Agreement and the Site Lease have been duly and lawfully authorized, executed and delivered by the City, are in full force and effect and are valid and binding upon the City and enforceable in accordance with their respective terms, assuming the Agreement and the Site Lease are valid and binding upon the Airline and

enforceable against the Airline in accordance with their respective terms; and (iii) the execution and delivery of, and performance by the City of its obligations under, this Indenture, the Agreement and the Site Lease do not contravene the provisions of any ordinance, statute, or regulation or, to the best knowledge of such Counsel after due inquiry, conflict with any material provision of any indenture, agreement, mortgage, deed of trust or other instruments to which the City is party or by which the City is bound; and

(5) Original executed counterparts of the initial Tax Documents.

(c) Before the delivery by the Trustee of each Series of the Bonds under this Section 211, there shall be filed with the Trustee:

(1) A written order as to the delivery of such Series, signed by an Executive Officer and stating (i) the identity of the purchasers, aggregate purchase price and date and place of delivery of such Series and (ii) that no Default has occurred and is continuing under this Indenture;

(2) A certificate to the City executed by the Independent Airport Consultant (as defined in the General Airport Revenue Bond Ordinance) certifying the matters required to be certified by the Independent Airport Consultant under Section 903 of the General Airport Revenue Bond Ordinance;

(3) A certificate of an Executive Officer setting forth:

(i) The amount, if any, of the proceeds of the sale of such Series to be paid to the Trustee for deposit in the Debt Service Reserve Account, so that the amount held in the Series Account for such Series therein shall be equal to the Debt Service Reserve Requirement for such Series;

(ii) The amount, if any, of the proceeds of the sale of such Series to be paid to the Trustee for deposit in the Capitalized Interest Account in the Construction Fund;

(iii) The amount of the proceeds of the sale of such Series to be paid to the Trustee for deposit in the Construction Account in the Construction Fund;

(iv) The amount of the proceeds of the sale of such Series to be paid to the Trustee for deposit in the Costs of Issuance Account in the Construction Fund; and

(v) The purpose or purposes for which the balance, if any, of the proceeds of the sale of such Series is to be used;

(4) A copy, duly certified by the Recording Officer, of the ordinance of the Governing Body of the City authorizing the issuance of such Series;

(5) An original executed counterpart of the contract of purchase with respect to such Series of Bonds between the City and the purchasers thereof pertaining to the sale of such Series;

(6) Original executed counterparts of any additional Tax Documents required by Bond Counsel in connection with the issuance and sale of such Series of Bonds; and

(7) Original executed counterparts of any Credit Facility and any other agreements required by the Credit Provider in connection therewith and of any other agreements with any other Persons or any other documents, and any moneys, as are required by the provisions of this Indenture authorizing the issuance of such Series or with respect to the terms and provisions of Bonds of such Series.

(d) Before the delivery by the Trustee of each Series of the Bonds other than the Series 1990 Bonds, there shall also be filed with the Trustee:

(1) An original executed counterpart of the supplemental indenture authorizing such Series, which shall specify the following, to the extent applicable:

(i) The authorized principal amount and Series designation of such Bonds and/or any limit on the aggregate principal amount of such Series which may be authenticated and delivered under such supplemental indenture (except for Bonds authenticated and delivered upon registration and transfer of, or in exchange for, other Bonds of such Series pursuant to Section 205 hereof);

(ii) The purpose or purposes for which such Series is being issued, including a description of any Additions to be financed from the proceeds of the sale of such Series;

(iii) The dated date or dates, and the date or dates of Stated Maturity, of the Bonds of such Series, or the manner of determining such dates;

(iv) The interest rate or rates to be borne by the Bonds of such Series or the manner of determining such rate or rates and the Interest Payment Dates for such Series;

(v) The manner of dating, numbering and lettering the Bonds of such Series;

(vi) The manner in and redemption price or prices (including any premium) at which Bonds of such Series may be redeemed which shall be consistent with or supplement the provisions of Article VI and other applicable provisions of this Indenture;

(vii) The establishment of any Series Account in the Debt Service Reserve Fund and the amount of any Debt Service Reserve Requirement applicable to such Series;

(viii) The operation and other terms of any sinking, amortization, improvement or other analogous fund applicable to the Bonds of such Series, including the dates of any redemptions or other purchases of the Bonds of such Series required thereby, or the manner of determining such terms or dates;

(ix) Provisions for the sale of the Bonds of such Series;

(x) The identity of any Book-Entry Depository for such Series;

(xi) The nature of the Credit Facility and the identity of the Credit Provider (other than the Airline) with respect to such Series of Bonds, if any;

(xii) Any additional covenants of the City required by the Code or other applicable law; and

(xiii) Any other provisions deemed advisable or necessary by the City as shall not conflict with the provisions of this Indenture; and

(2) An opinion of Counsel to the City confirming the matters set forth in the opinion described in subsection (b)(4) above as they shall apply to such supplemental indenture.

Article III.

Construction Fund.

Section 301. Creation Of The Construction Fund And Accounts Therein.

(a) There is hereby created and ordered established with the Trustee a trust fund in the name of the City to be designated "Chicago-O'Hare

International Airport Special Facility Revenue Bond Construction Fund (Lufthansa German Airlines Project)" (the "Construction Fund"). The Trustee shall deposit into the Construction Fund and the accounts therein the amounts of proceeds received from the sale of Bonds set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof.

(b) Moneys in the Construction Fund shall be held in trust by the Trustee on behalf of the Bondholders until the moneys in the Construction Fund are disbursed or used as contemplated in this Article. The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all accounts therein and disbursements therefrom.

Section 302. Use Of Moneys In The Construction Fund.

The moneys on deposit in the Construction Fund and the accounts therein created shall be applied for the purposes and uses specified below:

(a) Costs of Issuance Account. There is hereby created and ordered established in the Construction Fund a Costs of Issuance Account, and the Trustee shall deposit proceeds from the issuance of the Bonds into such account in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof. Moneys held in the Costs of Issuance Account shall be disbursed to pay Costs of Issuance of the Bonds upon receipt by the Trustee of a written order signed by the Authorized City Representative, identifying generally the nature and amount of such Costs of Issuance. Any balance remaining in the Costs of Issuance Account in the Construction Fund twelve months after the date of delivery of the Bonds shall be transferred to the credit of the Construction Account in the Construction Fund, whereupon the Costs of Issuance Account shall be closed.

(b) Capitalized Interest Account. There is hereby created and ordered established in the Construction Fund a Capitalized Interest Account, and the Trustee shall deposit proceeds from the issuance of the Bonds into such account in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof. Moneys held in the Capitalized Interest Account are intended to be used for the purpose of paying interest, other than accrued interest, on the Bonds before the Completion Date and shall be disbursed, to the extent available, to pay interest, other than accrued interest, on the Bonds. At the time of the deposit of proceeds from the sale of the Bonds into the Capitalized Interest Account, the City shall deliver to the Trustee upon receipt from the Airline a written schedule of dates on which moneys in such account are required to be transferred by the Trustee for deposit in the Interest Account in the Bond Fund. On any Interest Payment Date for a Series of Bonds on which moneys are available in the Capitalized Interest Account to pay interest on such Bonds, the Trustee shall first deposit such available moneys, but only to the extent of the amount of interest then so payable, into the Interest Account of the Bond Fund before depositing any moneys from any other Fund available therefor for such purpose.

(c) Construction Account. There is hereby created and ordered established in the Construction Fund a Construction Account, and the Trustee shall deposit proceeds from the issuance of the Bonds into such account in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof. Before the Completion Date of the Project or any Additions, as the case may be, the Trustee shall also deposit moneys representing earnings on investments in the Debt Service Reserve Fund into the Construction Account pursuant to Section 501(c) hereof. Moneys held in the Construction Account shall be disbursed by the Trustee to pay any and all of the Cost of the Project as provided in this Article.

Section 303. Costs Of The Project Or Any Additions.

To the extent permitted by applicable law, for the purposes of this Indenture and Agreement, Costs of the Project or any Additions shall include any and all of the following:

(a) Payment to the Airline or the City of such amounts, if any, as shall be necessary to reimburse the Airline or the City in full for all advances and payments made by it at any time before or after the delivery of the Bonds for expenditures in connection with the preparation of the Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof) and the construction and installation of the Project or such Additions;

(b) Payment for labor, services, materials and supplies used or furnished in site improvement and in the construction and installation of the Project or such Additions (including progress payments), all as provided in the Plans and Specifications and work orders therefor, payment for the cost of the construction, acquisition and installation of utility services or other facilities, and all real and personal property deemed necessary in connection with the Project or such Additions and payment for the miscellaneous expenditures incidental to any of the foregoing items;

(c) Payment of the fees and expenses, if any, for architectural, engineering, legal, underwriting and supervisory services with respect to the Project or such Additions;

(d) To the extent not paid by a contractor for construction or installation with respect to any part of the Project or such Additions, payment of the premiums on all insurance required to be maintained during the Construction Period for the Project or such Additions;

(e) Payment of the taxes, assessments and other charges, if any, that may become payable during the Construction Period with respect to the Project or such Additions, or reimbursement thereof if paid by the Airline;

(f) Payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project or such Additions; and

(g) Payment of any other items of cost and expense, including Administrative Expenses, not specified elsewhere in this Section, incident to the design, construction and equipping of the Project or such Additions and the financing thereof.

Section 304. Disbursements From The Construction Account In The Construction Fund.

(a) The City hereby authorizes and directs the Trustee to disburse the moneys in the Construction Account of the Construction Fund (or in any applicable Series Sub-Account therein) to or at the direction of the Airline for items included in the costs of the Project or such Additions other than Costs of Issuance. Each payment from the Construction Account shall be made upon receipt by the Trustee, with a copy furnished to the City, of a written order signed by the Authorized Airline Representative certifying:

(1) The requisition number;

(2) The name and address of each of the persons, firms or corporations to whom or to which payment is to be made from the Construction Account in the Construction Fund (or any applicable Series Sub-Account therein), which may include the Airline;

(3) The amount to be paid;

(4) That each obligation mentioned therein has been properly incurred and is a necessary and proper Cost of the Project of such Additions;

(5) That each of the items of Cost for which the payment is proposed to be made is due and has not been included in any prior written order which has been paid or, if previously included, has not been satisfied to the extent presently proposed to be paid;

(6) That after taking into account the costs proposed to be paid or reimbursed in said certificate at least 95% of all of the costs paid or reimbursed out of the Construction Fund are Qualified Costs of Construction; and

(7) That no Event of Default under the Agreement that has not been waived has occurred and is continuing.

Such written orders shall be accompanied by copies of such relevant statements, invoices, or other supporting data as the Trustee may reasonably request.

(b) Moneys in the Construction Account of the Construction Fund (or any applicable Series Sub-Account therein) may only be applied as set forth in subsection (a) above or in Section 305 hereof.

Section 305. Other Uses Of Construction Fund Moneys.

(a) The completion of the Project or any Additions and payment or provisions made for payment of the full Aggregate Cost of the Project or such Additions shall be evidenced by the filing with the Trustee of a certificate required by the provisions of Section 3.4 of the Agreement. Moneys remaining in the Construction Account or the Capitalized Interest Account of the Construction Fund (or any applicable Series Sub-Account in either thereof, including any earnings on investments that remain in such account or sub-account) at the time such certificate with respect to the Project or any Additions is delivered to the Trustee may be used, at the direction of the Authorized Airline Representative (which shall be given as soon as practicable after the Completion Date), for any one or more of the following purposes:

(1) for the payment when due of any Cost of the Project or any Additions, as the case may be, not then due and payable as specified in the above-mentioned certificate; or

(2) for transfer to the Principal Account in the Bond Fund (or the applicable Series Sub-Account therein) and application (i) to the redemption of Bonds of the applicable Series on the earliest practicable redemption date permitted; or (ii) for the payment of principal of the Bonds of any applicable Series; or

(3) for transfer to another Series Sub-Account in the Construction Account in the Construction Fund, for application to the Costs of other Additions; or

(4) for transfer (i) to the Interest Account in the Bond Fund or (ii) to the Capitalized Interest Account in the Construction Fund (or any applicable

Series Sub-Account therein) and application to the payment of interest on Bonds of any applicable Series.

(b) Upon the occurrence and continuation of an event of default hereunder (which event of default is not waived in accordance with the provisions of this Indenture), subject to Section 805 hereof, or if the Airline should prepay all amounts payable under the Agreement pursuant to Section 7.1 or Section 7.2 of the Agreement, any balance then remaining in the Construction Fund shall without further authorization be deposited in the Bond Fund by the Trustee.

(c) Notwithstanding any other provision of this Section to the contrary, before any such moneys may be used for any purpose specified in subsection (a)(2)(ii), (3) or (4) or (b) above, the Trustee shall be furnished with an opinion of Bond Counsel to the effect that such transfer will not cause or use of moneys so transferred in accordance with this Section will not cause the interest on any Bonds to become includible in gross income for federal income tax purposes.

Article IV.

Special Facility Revenues And Other Funds And Accounts.

Section 401. Sources Of Payment For Bonds.

The Bonds and all payments required of the City hereunder are not general obligations of the City but are limited obligations as described in Section 206 hereof. The Special Facility Revenues are pledged and assigned to the Trustee as security for the payment of the principal of and interest on the Bonds. The payments provided in Sections 4.2(a), (b), and (c) of the Agreement are to be remitted directly to the Trustee for the account of the City and deposited in the Special Facility Revenue Fund. In addition, the Airline in the Guaranty has guaranteed the payment of principal and interest and redemption premium, if any, on the Bonds as the same shall be due and payable hereunder and pursuant to the terms of the Bonds, and all payments under the Guaranty are to be remitted directly to the Trustee for the account of the City and deposited in the Special Facility Revenue Fund. Such payments under the Agreement and under the Guaranty, each sufficient in amount to insure the prompt payment of the principal of and interest and redemption premium, if any, on the Bonds, are pledged to the Trustee as security for such payments on the Bonds.

(c) Notwithstanding any other provision of this Section to the contrary, before any such moneys may be used for any purpose specified in subsection (a)(2)(ii), (3) or (4) or (b) above, the Trustee shall be furnished with an opinion of Bond Counsel to the effect that such transfer will not cause or use of moneys so transferred in accordance with this Section will not cause the interest on any Bonds to become includible in gross income for federal income tax purposes.

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Section 402. Creation Of The Special Facility Revenue Fund.

(a) There is hereby created and ordered established with the Trustee a trust fund in the name of the City to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Revenue Fund (Lufthansa German Airlines Project)" (the "Special Facility Revenue Fund"). The Trustee shall deposit into the Special Facility Revenue Fund all amounts of Special Facility Revenues, whether from the Airline pursuant to Article IV of the Agreement or from any other source.

(b) Moneys in the Special Facility Revenue Fund shall be held in trust by the Trustee on behalf of the Bondholders until the moneys in the Special Facility Revenue Fund are disbursed or used as contemplated in this Article. The Trustee shall keep and maintain adequate records pertaining to the Special Facility Revenue Fund and all accounts therein and disbursements therefrom.

Section 403. Payment Of Special Facility Revenues Over To Trustee.

Pursuant to the Agreement, the City has caused the Special Facility Revenues to be paid to the Trustee for deposit in the Special Facility Revenue Fund in accordance with the terms of this Indenture to effect payment of the principal of and interest on the Bonds as the same become due and to maintain the balance in the Series Account for each Series of Bonds in the Debt Service Reserve Fund at a level equal to or greater than the Debt Service Reserve Requirement for such Series of Bonds. The Trustee shall give the Airline and the City notice not less than five (5) Business Days in advance of any Interest Payment Date or any date on which a payment of principal is due under any Series of Bonds of such date and the amounts then due, but the failure of the Trustee to give such notice shall not waive or otherwise alter or delay any obligations of the City hereunder or of the Airline under the Agreement with respect to the payment of any such amounts. Nothing herein shall be construed as requiring the City to use any funds or revenues from any source other than Special Facility Revenues.

Section 404. Disbursements From The Special Facility Revenue Fund.

(a) The moneys in the Special Facility Revenue Fund shall be disbursed and applied by the Trustee as required to make deposits on the dates and in the amounts provided below:

(1) First, on each Interest Payment Date or other date upon which interest on any Series of Bonds is payable, a sum that, together with other moneys available therefor in the Capitalized Interest Account in the Construction Fund, and the Interest Account in the Bond Fund, will be sufficient to pay all interest on such Series due on such date shall be deposited in the Interest Account (and in any applicable sub-account therein) in the Bond Fund;

(2) Second, on each date on which principal of any Series of Bonds is payable, at Stated Maturity, by acceleration or otherwise, a sum that, together with other moneys available therefor in the Principal Account in the Bond Fund, will be sufficient to pay all principal of such Series due on

such date shall be deposited in the Principal Account (and in any applicable sub-account therein) in the Bond Fund;

(3) Third, on each date on which Bonds of any Series are to be redeemed, a sum that, together with other moneys available therefor in the Redemption Account in the Bond Fund, will be sufficient to pay the redemption price (including any premium) of such Bonds to be redeemed on such date shall be deposited in the Redemption Account (and in any applicable sub-account therein) in the Bond Fund;

(4) Fourth, at any time the balance in the Debt Service Reserve Fund or in any Series Account therein shall be less than the Debt Service Reserve Requirement then in effect for the applicable Series, any amount remaining available in the Special Facility Revenue Fund therefor, after the deposits required under the foregoing clauses (1), (2) and (3) have been made, shall be deposited in the Debt Service Reserve Fund or in such Series Account, but only to the extent necessary to restore the balance therein to the level of the Debt Service Reserve Requirement therefor; and

(5) Fifth, at any time the balance in the Rebate Fund shall be less than the amount of moneys then to be paid therefrom pursuant to the Tax Documents, a sum equal to the amount of such deficit shall be deposited in the Rebate Fund.

(b) If there are insufficient moneys in the Special Facility Revenue Fund to make any of the deposits required in subsection (a) above, such deposits shall be made in the priorities set forth therein as and to the extent moneys become available in the Special Facility Revenue Fund therefor.

(c) Except as provided in Sections 404(a)(5) and 903, moneys in the Special Facility Revenue Fund, together with certain other moneys deposited in the Bond Fund pursuant to Sections 305 and 409 hereof, shall be used solely for the payment of the principal of and interest and redemption premium, if any, on the Bonds or for deposit into the Debt Service Reserve Fund to be available for such purposes.

Section 405. Creation Of The Bond Fund.

(a) There is hereby created and ordered established with the Trustee a trust fund in the name of the City to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Fund (Lufthansa German Airlines Project)" (the "Bond Fund"), which shall be used to pay the principal of and interest on the Bonds.

(b) Moneys in the Bond Fund shall be held in trust by the Trustee on behalf of the Bondholders until the moneys in the Bond Fund are disbursed or used as contemplated in this Article. The Trustee shall keep and maintain adequate records pertaining to the Bond Fund and all accounts and sub-accounts therein and disbursements therefrom.

Section 406. Payments Into The Bond Fund.

There shall be deposited into the Bond Fund from time to time the following:

(a) any amounts transferred from the Special Facility Revenue Fund pursuant to the provisions of Section 404 hereof;

(b) any amounts transferred from the Construction Fund pursuant to the provisions of Section 305 hereof;

(c) any amounts transferred from the Debt Service Reserve Fund pursuant to the provisions of Section 409 hereof; and

(d) all other moneys received by the Trustee under and pursuant to the provisions of this Indenture or any of the provisions of the Agreement, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

Section 407. Use Of Moneys In The Bond Fund.

The moneys on deposit in the Bond Fund and the accounts therein created shall be applied for the purposes and uses specified below:

(a) Interest Account. There is hereby created and ordered established in the Bond Fund an Interest Account, and the Trustee shall deposit proceeds from the issuance of the Bonds into such account in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof. Moneys held in the Interest Account shall be disbursed by the Trustee on each Interest Payment Date or other date upon which interest on the Bonds is payable in the amount of interest then payable on all or a portion of the Bonds.

(b) Principal Amount. There is hereby created and ordered established in the Bond Fund a Principal Account. Moneys held in the Principal Account shall be disbursed by the Trustee on each date on which principal of the Bonds is payable, at Stated Maturity, by acceleration or otherwise, in the amount of the principal then payable.

(c) Redemption Account. There is hereby created and ordered established in the Bond Fund a Redemption Account. Moneys held in the Redemption Account shall be disbursed by the Trustee on each date on which Bonds of any Series are to be redeemed in the amount of the aggregate redemption price (including any premium) of Bonds then to be redeemed.

Section 408. Creation Of The Debt Service Reserve Fund.

(a) There is hereby created and ordered established with the Trustee a trust fund to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Debt Service Reserve Fund (Lufthansa German Airlines Project)" (the "Debt Service Reserve Fund"), for the purpose of paying principal of and/or interest on the Bonds when Special Facility Revenues are insufficient therefor. The Trustee shall deposit the initial amount of the Debt Service Reserve Requirement for each Series of Bonds, if any, into the Debt Service Reserve Fund (or the applicable Series Account therein) from the proceeds of the sale of such Series in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof.

(b) Moneys in the Debt Service Reserve Fund shall be held in trust by the Trustee on behalf of the Bondholders until the moneys in the Bond Fund are disbursed or used as contemplated in this Article. The Trustee shall keep and maintain adequate records pertaining to the Bond Fund and all accounts therein and disbursements therefrom.

Section 409. Use And Maintenance Of Moneys In The Debt Service Reserve Fund.

(a) Moneys held with respect to any Series of Bonds in the Debt Service Reserve Fund (or the applicable Series Account therein) shall be deposited by the Trustee on any Interest Payment Date or any other date on which interest on or principal of Bonds of such Series is payable in the Interest Account or the Principal Account in the Bond Fund (or the applicable Series Sub-Account therein), in that order, to the extent available, in an amount necessary, in each case, to provide moneys in such account (or Series Sub-Account) in the Bond Fund, together with moneys already deposited therein, sufficient to pay interest on or the principal of the Bonds of such Series payable on such date.

(b) The Trustee shall promptly notify the City and the Airline of any deposit made from the Debt Service Reserve Fund into the Bond Fund pursuant to subsection (a) of this Section 409 and whether such deposit shall have reduced the balance in the Debt Service Reserve Fund or in any Series Account to a level less than the Debt Service Reserve Requirement then in effect for the applicable Series of Bonds.

(c) The City shall maintain the balance in the Debt Service Reserve Fund or in each Series Account therein at a level equal to or greater than the Debt Service Reserve Requirement from time to time in effect for each applicable Series of Bonds, but such obligation is limited to, and dischargeable solely from, moneys from time to time available in the Special Facility Revenue Fund for deposit into the Debt Service Reserve Fund pursuant to Section 404(a)(4) hereof.

(d) Before the Completion Date of the Project or any Additions, as the case may be, any moneys held on an Interest Payment Date with respect to any Series for the credit of the Debt Service Reserve Fund or the applicable Series Account therein (after giving effect to all payments of interest on or principal of Bonds of such Series on such date) in excess of the Debt Service Reserve Requirement then in effect for such Series (including any excess derived from investment earnings) shall be deposited by the Trustee in the Construction Account in the Construction Fund (or the applicable Series Sub-Account therein). After the Completion Date of the Project or any Additions, as the case may be, any such excess moneys on such an Interest Payment Date shall be deposited by the Trustee in the Interest Account in the Bond Fund or the applicable Series Sub-Account therein.

(e) For purposes of subsections (b), (c) and (d) of this Section 409, the Trustee may, but need not, redetermine the value of obligations or other investments in the Debt Service Reserve Fund or any applicable Series Account therein on each Interest Payment Date for any Series of Bonds, and shall do so at least once each year, on the Interest Payment Date for such Series which is on or immediately before the anniversary date of the latest Stated Maturity of any Bonds of such Series. Such valuation shall be computed pursuant to the provisions of Section 502 hereof.

(f) In lieu of maintaining and depositing moneys in the Debt Service Reserve Fund or in any Series Account therein as required pursuant to subsection (c) of this Section 409, the Airline on behalf of the City may deposit with the Trustee an irrevocable letter of credit or an irrevocable surety bond policy issued by a bank or bond insurance company, as applicable, with a credit rating in one of the three highest rating categories of S. & P., or Moody's, subject to the prior written approval of the Trustee as to the provider and terms of such letter of credit or surety bond policy, which approval shall not be unreasonably withheld,and provided that the terms or provider of such letter of credit or surety bond policy shall not adversely affect any rating of the Bonds. Any such letter of credit or surety bond policy shall (1) permit the Trustee to draw amounts thereunder for deposit in the Debt Service Reserve Fund or such Series Account therein which, together with any moneys on deposit in, or available under any letter of credit or surety bond policy to fund, the Debt Service Reserve Fund or such Series

Account therein, are not less than the Debt Service Reserve Fund or such Series Account therein, are not less than the Debt Service Reserve Requirement for such Series and which may be applied for any purpose for which moneys in the Debt Service Reserve Fund or such Series Account therein may be applied, (2) have a term of at least five years, (3) be replaced by a substitute irrevocable letter of credit or irrevocable surety bond policy meeting the requirements set forth in this section or otherwise permitting a draw thereupon to fund the Debt Service Reserve Fund or such Series Account therein in an amount equal to the Debt Service Reserve Requirement for such Series before the termination of such substituted letter of credit or surety bond policy, and (4) be replaced by a substitute irrevocable letter of credit or surety bond policy meeting the requirements set forth in this section within twelve (12) months after the date on which the credit rating of the issuer of such letter of credit or surety bond policy is no longer in one of the three highest rating categories of S. & P. or Moody's. The Trustee shall draw on such letter of credit or surety bond policy (i) whenever moneys are required for the purposes for which moneys in the Debt Service Reserve Fund or such Series Account therein may be applied, and (ii) before any expiration or termination thereof; provided that no such draw need be made if (x) other moneys and/or a letter of credit or surety bond policy meeting the requirements set forth in this Section are available in the Debt Service Reserve Fund or such Series Account therein in the amount of the Debt Service Reserve Requirement for such Series, or (y) moneys are no longer required to be held on deposit in the Debt Service Reserve Fund or such Series Account therein.

(g) If the Airline elects to deposit a letter of credit or a surety bond policy in the Debt Service Reserve Fund or any Series Account therein in lieu of the moneys on deposit therein, the Trustee shall transfer such moneys in excess of the Debt Service Reserve Requirement for the applicable Series in the manner set forth in subsection (d) of this Section 409, or as otherwise instructed by an Authorized Airline Representative upon delivery to the Trustee of an opinion of Bond Counsel to the effect that such transfer will not adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

Section 410. Moneys Held In Trust Upon Non-Presentment Of Bonds.

If any Bond (or portion thereof) shall not be presented for payment when the principal thereof becomes due, whether at Stated Maturity, upon redemption, by acceleration or otherwise, and if moneys sufficient to pay in full the principal of and interest and redemption premium, if any, accrued on such Bond shall have been deposited in the Bond Fund, such Bond (or portion thereof) shall, on the date such principal and redemption premium, if any, is due or, if later, such moneys shall have been so deposited, cease to bear interest and shall no longer be deemed outstanding or secured by the lien of this Indenture, all liability of the City to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. Such moneys shall be held in a separate and segregated fund and shall not be invested. Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within two (2) years after the date on which the same shall have become due shall be paid by the Trustee to the Airline upon the written direction of an Authorized Airline Representative and thereafter Bondholders shall be entitled to look only to the Airline (and not to the City or the Trustee) for payment, and then only to the extent of the amount so repaid to the Airline, and the Airline shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys and the Trustee shall have no further responsibilities with respect to such moneys. Before being required to make any such payment to the Airline, the Trustee may, at the expense of the Airline, publish such notice as may be deemed appropriate by the Trustee listing the Bonds so payable and not presented, and stating that such moneys remain unclaimed and that after a date set forth therein any balance thereof then remaining will be paid to the Airline. The obligation of the Trustee under this section to pay any such funds to the Airline shall be subject, however, to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 411. No Lien Of Trustee For Fees, Charges And Expenses.

The Trustee agrees that the City shall have no liability for any fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Airline for the payment of all fees, charges and expenses of the Trustee as provided in the Agreement and in this Indenture. Except as provided in Section 903 hereof, the Trustee shall have no lien on or security interest in the Trust Estate securing the payment of any of the foregoing.

Section 412. Moneys To Be Held In Trust.

All moneys required to be deposited with or paid to the Trustee for deposit to any Fund or account therein, other than the Rebate Fund, under any provision hereof, including without limitation Special Facility Revenues and investments thereof, all moneys held by the Trustee in any of the foregoing Funds and all moneys withdrawn from any of the foregoing Funds and held by the Trustee shall be held by the Trustee in trust, and such moneys shall, while so held, constitute part of the Trust Estate and be subject to the lien hereof for the benefit of the Bondholders.

Section 413. Repayment To The Airline.

Any amounts remaining in the Special Facility Revenue Fund, the Bond Fund and the Debt Service Reserve Fund after payment in full of the principal of and interest on the Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges and expenses of the City, the Trustee and Bond Registrar, and all other amounts required to be paid under the Agreement and this Indenture shall be paid to the Airline as provided in the Agreement.

Section 414. Creation Of Additional Accounts And Sub-Accounts.

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 sub-accounts 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 or Sub-Accounts. At any time that more than one Series of Bonds shall be Outstanding, the Trustee shall, without further request or authorization, establish Series Accounts or Series Sub-Accounts, as the case may be, for each such Series in the Construction Account, Capitalized Interest Account and Costs of Issuance Account in the Construction Fund, in the Principal Account and Interest Account (and at the time of any redemption, in the Redemption Account) in the Bond Fund, and in the Debt Service Reserve Fund for the foregoing purposes, and may eliminate any such Series Accounts or Series Sub-Accounts at any time only a single Series of Bonds remains Outstanding. The establishment or elimination of any such additional Series Accounts, Series Sub-Accounts or other accounts or sub-accounts 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 or sub-account therein established hereunder.

Section 415. Rebate Funds; Exclusion From Trust Estate.

There is hereby created and ordered established with the Trustee a trust fund to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Rebate Fund (Lufthansa German Airlines Project)" (the "Rebate Fund"). The foregoing provisions of Articles III and IV notwithstanding, (i) the Rebate Fund shall not be considered a part of the Trust Estate, and (ii) the Trustee shall be permitted to transfer moneys on deposit in any of the Funds or accounts therein established under Article III or this Article IV to the Rebate Fund and administer such moneys in accordance with the provisions of the Tax Documents.

Article V.

Investment Of Moneys.

Section 501. Investment Of Moneys In Funds Other Than The Rebate Fund.

(a) Any moneys held as part of the Construction Fund, the Special Facility Revenue Fund, the Bond Fund or the Debt Service Reserve Fund shall be invested and reinvested by the Trustee, subject to the direction of the Airline in accordance with the provisions of Section 3.6 of the Agreement. In making any such investments, the Trustee may rely on directions delivered to it pursuant to Section 3.6 of the Agreement by an Authorized Airline Representative or, in the case of oral directions, by a person representing himself to be an Authorized Airline Representative, and the Trustee shall be relieved of all liability with respect to making such investments in accordance with such directions.

(b) Any Investment Securities may be purchased at the offering or market price thereof at the time of such purchase. All such investments shall mature in such amounts and at such times, or shall be readily marketable before their maturities, as the Airline may direct. The Trustee may, if so directed by the Authorized Airline Representative, make any and all such investments through its own bond department. The Trustee shall sell and reduce to cash a sufficient amount of such investments of any Fund or account therein whenever the cash balance in such Fund or account therein is insufficient to pay amounts then due therefrom.

(c) Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund and account therein for which they were made. The interest accruing thereon, any profit realized from such investments and any loss resulting from such investments shall be credited or charged to the Fund and account therein in which such investment is held.

(d) In addition, the Trustee shall, at the written request of the Authorized Airline Representative, sell at any time to the Airline for cash, at a price equal to the original cost thereon plus accrued interest thereon, plus any accrued discount (on a straight line basis or minus any amortized premium on the same basis), such investments on deposit in the Construction Fund as shall be specified by the Airline. The proceeds of any sale to the Airline pursuant to the preceding sentence of investments on deposit in the Construction Fund shall be deposited into the Construction Fund.

Section 502. Valuation Of Investments.

(a) In computing the amount in any Fund or account or sub-account therein, obligations maturing within the three-year period next succeeding the date of computation shall be valued at amortized value and obligations maturing more than three years following the date of computation shall be valued at the lower of amortized value or market value. For purposes of the foregoing, an obligation shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation.

(b) For purposes of this Section, amortized value means par, if the obligation was purchased at par, or, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated for each interest payment date after such purchase from the purchase price in the case of an obligation purchased at a premium or adding the amount thus calculated for each interest payment date after such purchase to the purchase price in the case of an obligation purchased at a discount.

Section 503. Tax Covenants.

(a) The City covenants with all purchasers and the Owners of the Bonds from time to time outstanding that, so long as any of the Bonds remain outstanding:

(1) To the extent, pursuant to the Agreement or this Indenture, the City (and not the Airline) will direct use of or investment of Bond proceeds, it will not cause or direct moneys on deposit in any Fund or account therein, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, to be used in a manner that will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, any lawful regulations promulgated thereunder including Sections 1.103-13, 1.103-14, 1.103-15, 1.103-15AT, 1.148-OT through 1.148-9T, 1.149(d)-1T, and 1.150-OT through 1.150-1T of the Income Tax Regulations (26 C.F.R. Part 1), and Section 1.103-15AT of the Temporary Income Tax Regulations, as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised. Pursuant to such covenant, the City obligates itself to comply, as long as any Bonds remain outstanding, with the requirements of Section 148 of the Code and any regulation promulgated thereunder. The City reserves the right (subject

to the provisions of Section 3.6 of the Agreement and Section 501 hereof), however, for any investment of such moneys in any of the Funds under this Indenture, other than the Rebate Fund, permitted by state law to be made, if, when and to the extent that said Section 148 or regulations promulgated thereunder or any similar or successor provisions thereto shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only if any investments made by virtue of such repeal, relaxation or decision would not, in the written opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

(2) It will not knowingly take any action or omit to take any action requested of it by the Trustee, the Airline or Bond Counsel which is lawful and within its power to take, and which, if taken or omitted, would cause interest on the Bonds to become includible in the gross income of the holders of the Bonds for federal income tax purposes, other than a holder who is a "substantial user" or "related person" within the meaning of such terms as defined in the Code.

(b) In furtherance of the covenants in subsection (a), the City agrees to execute any Tax Documents or amendments or supplements to the Agreement with respect to any Series of Bonds containing such representations and covenants as are deemed necessary or advisable in the opinion of Bond Counsel to insure that the City complies with the provisions of this Section.

Section 504. Limitation On Trustee's Responsibilities Respecting Arbitrage.

Notwithstanding any provision of this Indenture to the contrary, the Trustee shall not be liable or responsible for any calculations or determination that may be required in connection with or for the purpose of complying with Section 148 of the Code and any applicable Treasury regulations or any similar or successor provisions thereto, including, without limitation, the calculation of amounts required to be paid to the United States of America under such provisions of the Code and the applicable Treasury regulations, the maximum amount that may be invested in "non-purpose obligations" as defined in the Code and the fair market value of any investments made hereunder; and the sole obligation of the Trustee with respect to investments of funds hereunder shall be to invest the moneys received by the Trustee in Investment Securities pursuant to the instructions of the Authorized Airline Representative. The Trustee shall have no responsibility for determining whether or not the investments made pursuant to the directions of the Authorized Airline Representative comply with the requirements of the Tax Documents.

Article VI.

Redemption Of Bonds Before Maturity; Purchase In Lieu Of Redemption.

Section 601. Redemption Dates And Prices.

The Bonds shall be subject to redemption, before maturity in the amounts, at the times and in the manner provided in this Article VI. All payments of the redemption price (including any premium) of the Bonds shall be made on the dates hereinafter required in federal or other immediately available funds.

(a) Optional Redemption. Any Series of Bonds may be redeemed by the City, at the option of the Airline, only as permitted in this Indenture, at such times, in whole or in part, at the redemption price or prices (including any premium) set forth in this Indenture with respect to such Series, plus accrued interest to the date fixed for redemption. The Airline shall deliver to the Trustee not less than thirty (30) days before the date fixed for each such redemption a written direction by an Authorized Airline Representative stating that the Airline intends to exercise its option to prepay the payments due under the Agreement in whole or in part pursuant to Section 7.1 of the Agreement and thereby effect redemption of such Bonds.

(b) Mandatory Redemption upon Determination of Taxability. The Bonds shall be subject to mandatory redemption in whole, or as hereinafter provided in part, on any date before their maturity at a redemption price equal to 100% of the principal amount thereof, without premium but with accrued interest thereon to the redemption date, which redemption date shall be not more than ninety (90) days following the receipt by the Airline of written notice from a Bondholder or former Bondholder or from the Trustee of a final determination of the Internal Revenue Service or a court of competent jurisdiction to the effect that the interest paid or payable on any Bond to other than a "substantial user" of the Project or a "related person" (within the meaning of Section 147(a) of the Code) is or was includable in the gross income of the owner thereof for federal income tax purposes under the Code; provided that no such determination shall be considered final unless (a) the Bondholder or former Bondholder involved in such proceeding or action (i) gives the Airline and the Trustee prompt notice of the commencement thereof, and (ii) (if the Airline agrees to pay all expenses in connection therewith and to indemnify such Bondholder or former Bondholder against all liabilities in connection therewith), offers the Airline the opportunity to control unconditionally the defense thereof, and (b) either (i) the Airline does not agree within thirty (30) days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (ii) the Airline shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action that the Airline determines to be appropriate. The Bonds shall be redeemed pursuant to the first sentence of this subsection (b) in whole unless, in the opinion of Bond Counsel, the redemption of one or more Series or other portion of the outstanding Bonds would have the result that interest payable on such Bonds remaining outstanding after such redemption would not be includable in the gross income for federal income tax purposes of other than a "substantial user" of the Project or a "related person" (within the meaning of Section 147(a) of the Code). Selection of Bonds (other than an entire Series) for such partial redemption, shall be in such manner as the Trustee shall determine in accordance with Section 605 hereof or in such other manner acceptable to the Trustee as shall be specified in a written opinion of Bond Counsel, and in such amount as Bond Counsel shall have determined is necessary to accomplish such result. After the receipt by the Trustee of notice from the Airline pursuant to Section 7.3(a) of the Agreement, the Trustee shall give notice of such redemption as provided in Section 602 hereof. Upon the giving of such notice, the Bonds called for redemption shall become due and payable on such redemption date at the redemption price, together with the accrued interest to the redemption date, and such Bonds shall be redeemed and cancelled by the Trustee on such redemption date.

(c) Mandatory Redemption upon Condemnation of Leased Premises. The Bonds shall be subject to mandatory redemption in part or in whole, as the case may be, on any date before their maturity at a redemption price equal to 100% of the principal amount thereof, without premium, but with accrued interest thereon to the redemption date, which redemption date shall be not more than ninety (90) days following the receipt by the Airline, pursuant to Section 5.9(b) of the Agreement, of its allocable portion of the Net Proceeds of any condemnation award received on account of any condemnation or taking of all or part of the Leased Premises. The Bonds shall be redeemed pursuant to the first sentence of this subsection (c) in part in an aggregate principal amount equal to the highest aggregate of Authorized Denominations not exceeding the amount of such Net Proceeds received by the Airline or, if such Net Proceeds are sufficient therefor, in whole. Selection of Bonds (other than an entire Series) for such partial redemption shall be in such manner as the Trustee shall determine in accordance with Section 605 thereof. After the receipt by the Trustee of notice from the Airline pursuant to Section 7.3(a) of the Agreement, the Trustee shall give notice of such redemption as provided in Section 602 hereof. Upon the giving of such notice, the Bonds called for redemption shall become due and payable on such redemption date at the redemption price, together with the accrued interest to the redemption date, and such Bonds shall be redeemed and cancelled by the Trustee on such redemption date.

Section 602. Notice Of Redemption.

Notice of the call for any redemption of Bonds or any portion thereof (which shall be in Authorized Denominations) pursuant to Section 601 hereof identifying the Bonds or portions thereof to be redeemed, specifying the redemption date, the redemption price (including any premium), the places and dates of payment, the portion of the Bond to be redeemed if less than the full principal amount thereof will be redeemed, and that from the redemption date interest will cease to accrue, shall be given by the Trustee by mailing a copy of such redemption notice by registered or certified mail not less than thirty (30) days nor more than sixty (60) days before the date fixed for redemption to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice.

Section 603. Deposit Of Funds For Redemption Price And Effect Thereof.

For the redemption of any of the Bonds, the City shall cause to be deposited in the Bond Fund, out of Special Facility Revenues, moneys sufficient to pay the redemption price (including any premium) of and interest accrued on the Bonds (or portions thereof) to be redeemed on the date set for the redemption of such Bonds (or portions thereof). Any such deposit of the redemption price of any Bonds (or portions thereof) to be redeemed shall be deemed payment by the City of the aggregate principal amount of and redemption premium, if any, on the Bonds (or portions thereof) to be so redeemed.

Section 604. Partial Redemption Of Bonds.

(a) If a Bond is of a denomination larger than the minimum authorized Denomination, all or a portion of such Bond may be redeemed, but such Bond shall be redeemed only in a principal amount equal to an Authorized Denomination.

(b) Upon surrender of any Bond for redemption in part only, the City shall execute and the Trustee shall authenticate and deliver to the Owner 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.

Section 605. Selection Of Bonds For Redemption.

(a) If less than all the Bonds are called for redemption, the Trustee shall select the Bonds or portions thereof to be redeemed, from the Bonds outstanding not previously called for redemption, in such manner as in the Trustee's sole discretion it shall deem appropriate and fair, whether by lot or otherwise. The Trustee shall promptly notify the City and the Airline in writing of the Bonds or portions thereof selected for redemption.

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

Article VII.

Payment; Further Assurances.

Section 701. Payment Of Principal Of And Interest And Redemption Premium On Bonds.

The City shall promptly pay or cause to be paid the principal of and the interest and redemption premium, if any, on every Bond issued hereunder according to the terms thereof, but shall be required to take such payment or cause such payment to be made only out of Special Facility Revenues. The City hereby appoints the Trustee to act as a paying agent, and designates the principal corporate trust office of the Trustee at the address for notices set forth in Section 1304 hereof as a place of payment for the Bonds, such appointment and designation to remain in effect until notice of change is filed with the Trustee.

Section 702. Performance Of Covenants; Further Assurances.

(a) The City covenants that it will faithfully perform at all times all of its covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds executed and delivered hereunder and in all proceedings pertaining hereto. The City represents that it is duly authorized under the Constitution of the State and laws thereof to issue the Bonds and to execute this Indenture and to assign the amounts and rights hereby assigned; that such amounts and rights will not be assigned in any manner other than as contemplated by this Indenture; that all action required on its part for the issuance of the Bonds and the execution and delivery of the Agreement and this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City according to the import thereof.

(b) The City shall fully cooperate with the Trustee and with the Owners of the Bonds to the end of fully protecting the rights and security of the Owners of any Bonds.

(c) The City represents that it now has, and covenants that it shall, to the extent permitted by law, maintain complete and lawful authority and privilege to enter into and perform its obligations under this Indenture and the Agreement.

(d) Except to the extent otherwise provided in this Indenture or as otherwise required by law, the City shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders hereunder may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be reasonably required to carry out the purposes of this Indenture.

Section 703. Financing Statements.

The City agrees that it shall (1) cause the Agreement, this Indenture, and any additional security instrument filed with the Trustee as additional security for the Bonds, each amendment and supplement to any such instrument, and a memorandum, financing statement, or continuation statement with respect to such instruments, amendments, or supplements to be filed, registered and recorded and to be refiled, reregistered and rerecorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to protect and perfect the lien of this Indenture and to publish notice of and to protect and perfect the security and the Owners of the Bonds and the rights of the Trustee under the Agreement and this Indenture, and (2) perform or cause to be performed from time to time any other act as required by law, and execute and file or cause to be executed and filed any and all instruments of further assurance including financing statements with respect to any of such instruments) that may be necessary for such publication and protection. The Airline, the City and the Trustee shall, when so requested by one another, execute all such instruments, memoranda, or statements necessary to maintain, protect, perfect or preserve the interests assigned to the Trustee under this Indenture.

Article VIII.

Default Provisions And Remedies Of Trustee And Bondholders.

Section 801. Defaults; Events Of Default.

The occurrence of any one or more of the events described in the following sections (a) through (d) of this Section 801 is hereby defined as and declared to be and to constitute a "default"; and each such default, after the giving of notice, if any, the passage of time, if any, or the occurrence of such other event, if any, specified in the subsection describing such default, is hereby defined as and declared to be and to constitute an "event of default":

(a) Failure to make payment of any installment of interest upon any Bond when the same shall have become due and payable;

(b) Failure to make due and punctual payment of the principal of any Bond when the same shall have become due and payable, whether at the Stated Maturity thereof, upon redemption or upon the maturity thereof by declaration;

(c) The occurrence of an "event of default" under Section 6.1(b) or (c) of the Agreement, other than an "event of default" relating to Unassigned Rights; or

(d) The occurrence of an "event of default " referred to in Section 6.1(d) of the Agreement.

Section 802. Acceleration.

(a) Upon occurrence and continuation of any event of default described in clauses (a), (b) or (c) of Section 801 the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then outstanding the Trustee shall, by notice in writing delivered to the Airline with copies of such notice being sent to the City, and upon the occurrence and continuation of any event of default described in clause (d) of Section 801 above without notice to the Airline, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable and shall be paid on such date of declaration, and such principal and interest shall thereupon become and be immediately due and payable and shall be paid on such date of declaration, and interest thereon shall cease to accrue if payment is made on the date of such declaration.

(b) Upon any such declaration, the Trustee shall (1) declare all amounts payable under Section 4.2 of the Agreement to be immediately due and payable in accordance with Section 6.2 of the Agreement, and (2) immediately give notice of acceleration to the Bondholders in accordance with Section 904 hereof.

(c) The above provisions of this Section are subject to the condition that if, after the principal of all Bonds then outstanding shall have been so declared to be due and payable, all arrears of interest upon such Bonds, and interest on overdue installments of interest (to the extent permitted by law) at the rate borne by the Bonds, and the principal of all Bonds then outstanding that shall have become due and payable otherwise than by acceleration, and all other sums payable under this Indenture, except the principal of and interest on the Bonds that by such declaration shall have become due and payable, shall have been paid by or on behalf of the City, together with the reasonable expenses of the Trustee and of the Owners of such Bonds, including reasonable attorneys' fees paid or incurred, and any and all other defaults then existing hereunder shall have been cured or waived in accordance with the provisions hereof, then and in every such case, but only if the Owners of not less than 25% in aggregate principal amount of the Bonds then outstanding shall have made the written request specified in paragraph (a) of this Section, the express prior consent of the Owners of a majority in aggregate principal amount of Bonds then outstanding, the Trustee may annul such declaration of maturity and its consequences, which annulment shall be binding upon all Bondholders; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. In the case of any such annulment, the Airline, the City, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture.

Section 803. Remedies; Rights Of Bondholders.

(a) Upon the occurrence and continuation of an event of default the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then outstanding, and to enforce and compel the performance of the duties and obligations of the City as herein set forth. In addition, except as otherwise provided in the Agreement, the Trustee may, with notice to the City, exercise any and all remedies afforded the City under Article VI of the Agreement, except as limited in said Article VI, in its name or the name of the City without the necessity of joining the City.

(b) If an event of default shall have occurred and be continuing and if requested so to do by the Owners of not less than 25% in aggregate principal amount of Bonds then outstanding and indemnified as provided in Section 901 hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Section 803 and Section 802 hereof as the Trustee being advised by Counsel shall deem most expedient in the interests of the Bondholders.

(c) 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 now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any event of default shall impair any such right, power or remedy or shall be construed to be a waiver of any such event of default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any event of default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

Section 804. Right Of Bondholders To Direct Proceedings.

Anything in this Indenture to the contrary notwithstanding, the Owners of not less than a majority in aggregate principal amount of Bonds then outstanding 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; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 805. Application Of Moneys.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and expenses, liabilities and advances incurred or made by, the Trustee and its Counsel, be deposited in the Bond Fund and all such moneys in the Bond Fund shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of any kind, ratably, according to the amounts due and payable on such Bonds for principal and interest, respectively, to the persons entitled thereto without any discrimination or privilege.

(b) Except upon acceleration, (1) whenever moneys are to be applied pursuant to the provisions of this section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine; (2) whenever the Trustee shall apply such moneys, 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; and (3) 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. In the event of an acceleration pursuant to Section 802 hereof, interest on the Bonds shall cease to accrue as provided in Section 802(a) or Section 802(b), as the case may be.

(c) Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section 805 and all expenses, fees and charges of the Trustee have been paid, any balance remaining in the Bond Fund shall be paid the Airline as provided in Section 413 hereof.

Section 806. Remedies Vested In Trustee.

All rights of action (including the right to file proofs of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds 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 plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of the Outstanding Bonds.

Section 807. Rights And Remedies Of Bondholders.

No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified or is deemed to have, or required to take, notice pursuant to subsection (g) of Section 901 hereof, (b) such default shall have become an event of default and be continuing, (c) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee either to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name, and shall have offered and, if requested, provided to the Trustee indemnity as provided in Section 901, and (d) the Trustee shall for sixty (60) days after such notice, request and offer and provision of indemnity fail or refuse to exercise the powers herein granted, or to institute such action, suit or proceeding in its own name; and such notification, request, offer and provision of indemnity and sixty-day period are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution by the Trustee, at the direction of the Bondholders, pursuant to the provisions of this Section 807 of the powers and trusts of this Indenture (except that indemnification for the declaration of acceleration under Section 802(b) hereof shall not be so conditioned), and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder. No one or more Owners of the Bonds shall have any right in any manner whatsoever to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Bonds. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on his Bond at and after the maturity hereof.

Section 808. Termination Of Proceedings.

If 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, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 809. Waivers Of Events Of Default.

The Trustee may in its discretion waive any event of default hereunder and rescind its consequences and shall do so upon the written request of the Owners of not less than a majority in aggregate principal amount of all Bonds then outstanding; provided that there shall not be waived (a) any event of default in the payment of the principal of any outstanding Bonds when due (whether at maturity or by redemption), or (b) any event of default in the payment when due of the interest on any such Bonds, unless before such waiver and rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest and all arrears of principal when due, as the case may be, together with the reasonable expenses of the Trustee and of the Owners of such Bonds, including reasonable attorneys' fees paid or incurred, shall have been paid or provided for. In the case of any such waiver and rescission, or if any proceeding taken by the Trustee on account of any such default shall have been discounted or abandoned or determined adversely, then and in every such case the City, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this Indenture shall be in writing and copy thereof shall be delivered to the City and to the Airline.

Section 810. Opportunity Of The City And The Airline To Cure Defaults.

(a) As long as the Airline is not in default under the Agreement, after a reasonable request by the Airline, whenever the City shall fail, refuse or neglect to give any direction to the Trustee to require the Trustee to take any other action that the City required to have the Trustee take pursuant to the provisions of the Agreement or this Indenture, the Airline instead of the City may give any such direction to the Trustee or require the Trustee to take any such action. Upon receipt by the Trustee of a written notice signed by an Authorized Airline Representative stating that the Airline has made reasonable request of the City, and that the City has failed, refused or neglected to give any direction to the Trustee or to require the Trustee to take any such action, the Trustee is hereby irrevocably empowered and directed to accept such direction from the Airline as sufficient for all purposes of this Indenture. The Airline shall have the direct right to cause the Trustee to comply with any of the Trustee's obligations under this Indenture to the same extent that the City is empowered so to do.

(b) Certain actions or failures to act by the City under this Indenture may create or result in an event of default under this Indenture and the City hereby grants the Airline full authority, to the extent permitted by law, for the account of the City to perform or observe any covenant or obligation of the City alleged in a written notice to the City and the Airline from the Trustee not to have been performed or observed, in the name and stead of the City with full power to do any and all things and acts to remedy any default.

Article IX.

The Trustee.

Section 901. Acceptance Of The Trusts.

The Trustees hereby jointly and severally accept the trusts imposed upon them by this Indenture, and each of them represents and covenants that it is fully empowered under the applicable laws and regulations of the United States of America and the State to accept said trusts, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee may execute any of the trusts or powers hereof and perform all of its duties by or through attorneys, agents or employees and shall not be responsible for the acts of the attorneys or agents appointed by it in good faith (including, without being limited to, any co-bond registrar, and any co-trustee), and shall be entitled to advice of Counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys and agents as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of Counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for any recital herein or in the Bonds, or the validity, priority, recording, or re-recording, filing, or refiling of this Indenture, the Agreement or any financing statement, amendments to this Indenture or the Agreement, or continuation statements, or for the validity of the execution by the City of this Indenture, the Agreement or of any supplements hereto or thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article V hereof, including, without limitation, any loss suffered in connection with the sale of any investment pursuant to Article V hereof.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of Bonds with the same rights which it would have if it were not Trustee.

(d) The Trustee shall be protected in acting in good faith upon any notice, request, resolution, consent, certificate, affidavit, letter, telegram or other paper or document, or oral communication or direction, believed to be genuine and correct and to have been signed or sent or given by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or 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 and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

(e) As to the existence or non-existence 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 its Executive Officer as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee is deemed to have or required to take notice or has been notified as provided in subsection (g) of this section, or subsequent to the waiver, rescission or annulment of a default as provided in Article VIII hereof, 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 signed on behalf of the City by its Executive Officer or Recording Officer to the effect that a resolution or ordinance in the form therein set forth has been adopted by the City as conclusive evidence that such resolution or ordinance 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 liable in the performance of its obligations hereunder except for its gross negligence or willful misconduct.

(g) Except for the failure to receive payments required by Section 4.2 of the Agreement, the Trustee shall not be required to take notice or be deemed to have notice of a default under Section 801(c) or Section 801(d) hereof unless an officer in the Corporate Trust Department of the Trustee shall be specifically notified in writing of such default by the Airline, the City, or the Owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then outstanding.

(h) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder.

(i) The Trustee may require that a satisfactory indemnity bond be furnished by the Owners of the Bonds for the reimbursement of all expenses so that it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct in connection with any action so taken.

(j) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received and shall not be commingled with the general funds of the Trustee but need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(k) The Trustee, before the occurrence of an event of default specified in Section 801 of this Indenture and after the during of all events of default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and, in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture. If an event of default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances.

(l) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that:

(i) This subsection shall not be construed to limit the effect of subsection (k) of this section;

(ii) The Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds Outstanding relating to the time, method and place of conducting any proceeding or any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(m) 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 desirable for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any cash, or as a condition to the taking of any other action by the Trustee.

Every provision of this Indenture that in any way relates to the Trustee is subject to all the foregoing paragraphs of this section.

Section 902. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder, which shall be a banking corporation or national banking association organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers and having a corporate trust office in Chicago, Illinois, authorized to accept and exercise the trusts herein provided, having a combined capital and surplus of at least $100,000,000 (and if there are two Trustees, the other Trustee shall have a combined capital and surplus of at least $5,000,000 and meet all of the other requirements of this Section 902), and subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for purposes of this Section 902, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time either Trustee shall cease to be eligible in accordance with the provisions of this section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article, and shall immediately provide notice of such resignation by registered or certified mail to the City, the Airline, and the Owner of each Bond.

Section 903. Fees, Charges And Expenses Of Trustee.

The Trustee shall be entitled to payment and/or reimbursement from the Airline for reasonable fees for its Ordinary Services, including reimbursement for fees and expenses of any co-trustee or co-bond registrar, rendered hereunder and all advances, Counsel fees and disbursements and other Ordinary Expenses reasonably and necessarily made or incurred by the Trustee in connection with such Ordinary Services hereunder and, if it should become necessary that the Trustee perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor from the Airline, and to reimbursement from the Airline for reasonable and necessary Extraordinary Expenses in connection therewith; provided that if such Extraordinary Services or Extraordinary Expenses are occasioned by the gross negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement from the Airline for reasonable fees and charges of the Trustee as Bond Registrar and paying agent for the Bonds. The Trustee shall be entitled to indemnification from Airline for, and to be held harmless against, any loss, liability or expense incurred without gross negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. Upon the occurrence of an event of default and during its continuance, the Trustee shall have a first lien with right of payment before payment on account of interest on or principal of any Bond secured by this Indenture upon all moneys in its possession under any provisions hereof, for the foregoing advances, fees, costs and expenses incurred. All such amounts shall be payable as provided in Section 4.2(b) of the Agreement.

Section 904. Notice To Owners Of Bonds And City If Default Occurs.

(a) If a default occurs of which the Trustee is by subsection (g) of Section 901 hereof required to take or deemed to have notice or if notice of default be given as in said subsection (g) provided, the Trustee shall, within fifteen (15) days thereafter, give written notice thereof by registered or certified mail (unless such default is cured or waived), to each Owner of Bonds then outstanding.

(b) If a default occurs of which the Trustee is by subsection (g) of Section 901 hereof required to take or deemed to have notice or if notice of default be given as in said subsection (g) provided, the Trustee shall give the City immediate telephonic notice of such default regardless of whether such default is cured, waived or rescinded, with written confirmation of such notice to follow within three (3) Business Days thereafter.

(c) Copies of each notice given by the Trustee pursuant to paragraph (a) or paragraph (b) of this Section 904 shall be given by the Trustee concurrently to the City, which shall not in any event be obligated to take any action as a result of the receipt of such notice.

Section 905. Intervention By Trustee.

In any judicial proceeding to which the City is a party that, 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 Owners of the Bonds and subject to the provisions of Section 901(i), shall do so if requested in writing by the Owners of majority in aggregate principal amount of all Bonds then outstanding.

Section 906. Successor Trustee.

Any corporation or national banking association into which either Trustee may be merged, or with which it may be consolidated, or to which it may sell, lease or transfer its corporate trust business and assets as a whole or substantially as a whole, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument on the part of any of the parties hereto.

Section 907. Resignation By The Trustee.

Either Trustee may at any time resign from the trusts hereby created by giving sixty (60) days' written notice by registered or certified mail to the City, the Airline, and the Owner of each Bond, and such resignation shall take effect at the appointment of a successor Trustee pursuant to the provisions of Section 909 hereof and acceptance by the successor Trustee of such trusts.

Section 908. Removal Of The Trustee.

Either Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee, the City, and the Airline and signed by the Owners of a majority in aggregate principal amount of Bonds then outstanding.

Section 909. Appointment Of Successor Trustee.

If either Trustee hereunder shall :

(a) resign pursuant to Section 902 or 907 hereof;

(b) be removed pursuant to Section 908 hereof; or

(c) be dissolved, taken under the control of any public officer or officers or of a receiver appointed by a court, or otherwise become incapable of acting hereunder, a successor shall be appointed by the City with the written agreement of the Airline; provided that if a successor Trustee is not so appointed within thirty (30) days after notice of resignation is mailed or instrument of removal is delivered as provided under Sections 902, 907 and 908 hereof, respectively, or within ten (10) days of the City's knowledge of any of the events specified in (c) hereinabove, and there is no Trustee hereunder meeting the requirements of Section 902 hereof, then the Owners of a majority in aggregate principal amount of Bonds then outstanding, by an instrument or concurrent instruments in writing signed by or on behalf of such Owners, may designate a successor Trustee. Every such successor Trustee appointed pursuant to the provisions of this section shall be a trust company or bank in good standing, shall have a corporate trust office in Chicago, Illinois, and shall be eligible to serve as Trustee under the applicable laws of the State, having a reported capital and surplus of not less than $100,000,000 (or $5,000,000, if there shall already be a Trustee hereunder meeting all the other requirements under this Section 909) and willing to accept the trusteeship under the terms and conditions of this Indenture. If at any time the sole remaining Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article IX before the date specified in the notice of resignation as the date when such resignation shall take effect, the Owner of any Bond or the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

Section 910. Concerning Any Successor Trustee.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City and the Airline an instrument in writing accepting such appointment hereunder, and thereupon such successor shall become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor. Notwithstanding the foregoing sentence, (1) such predecessor shall, on the written request of the City, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder and (2) such predecessor shall upon payment of its charges 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 any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City at the expense of the Airline.

Section 911. No Transfer Of Rights Under Agreement By Trustee; Exception.

Except as required to effect an assignment to a successor Trustee, the Trustee shall not sell, assign or transfer its rights under the Agreement.

Section 912. Designation Of Trustee As Paying Agent.

The Trustee shall be the paying agent for the Bonds.

Section 913. Appointment Of Co-Trustee.

(a) 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) 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 Agreement, and in particular in case of the enforcement thereof on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action that 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 are adopted to these ends.

(b) If 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 only to the extent that the Trustee by the laws of any jurisdiction (including particularly the State) is incapable of exercising 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.

(c) Should any 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 instruments in writing shall, on request, be executed, acknowledged and delivered by the

City at the expense of the Airline; provided that if an event of default shall have occurred and be continuing, if the City does not execute any such instrument within fifteen (15) days after request therefor, the Trustee shall be empowered as an attorney-in-fact for the City to execute any such instrument in the City's name and stead. If 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, so 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.

(d) The Trustee shall be entitled to remove any co-trustee so appointed by the Trustee upon written notice to such co-trustee, the City and the Airline.

Section 914. Trustee Protected In Relying Upon Resolution, Etc.

The resolutions, ordinances, 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 915. Dealing In Bonds.

The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City or the Airline, and may act as depository, trustee, or agent for any committee or body of Bondholders secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

Article X.

Supplemental Indenture.

Section 1001. Supplemental Indentures And Amendments Not Requiring Consent Of Bondholders.

Subject to Section 1003 hereof, 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 create, and provide the applicable terms and conditions herein with respect to, any Series of Bonds in addition to the Series 1990 Bonds;

(b) to add to the covenants and agreements of, and limitations and restrictions upon, the City in this Indenture other covenants, agreements, limitations and restrictions to be observed by the City that are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) to grant to or confer or impose upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted, conferred or imposed and that are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) to cure any ambiguity or omission in or to cure, correct or supplement any defective provision of this Indenture or otherwise to amend or supplement this Indenture in such manner as shall not impair the security hereof or adversely affect the Bondholders;

(e) to evidence the appointment of a separate Trustee or a co-trustee, authenticating agent or co-bond registrar or to evidence the succession of a new Trustee hereunder;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(g) to subject to this Indenture additional revenues, properties or collateral;

(h) to provide for a paying agent in addition to the Trustee;

(i) to change the definition of "Investment Securities" set forth in Section 101 hereof; and

(j) to make any other change that shall not be to the prejudice of the Bondholders or the Trustee.

Section 1002. Supplemental Indentures Requiring Consent Of Bondholders.

(a) Exclusive of supplemental indentures covered by Section 1001 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners 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 other indenture or indentures supplemental hereto for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided that nothing in this section contained shall permit or be construed as permitting (a) an extension of the maturity date of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond, the rate of interest thereon or the amount of any premium payable on the redemption thereof, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture.

(b) If at any time the City shall request the Trustee to enter into any such supplemental indenture for any of the purposes allowed by this Section, the Trustee shall, at the request of the City and upon being satisfactorily indemnified by the Airline with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed in substantially the manner provided in Section 603 hereof with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof 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 of time as shall be prescribed by the City following the mailing of such notice, the Owners of 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 Owner of any Bond 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. The City shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondholders. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may receive an opinion of Counsel that any such supplemental indenture entered into by the City and the Trustee complies with the provisions of this Article X and is enforceable in accordance with its terms, and the Trustee may rely upon such opinion.

Section 1003. Consent To Supplemental Indentures.

(a) Anything herein to the contrary notwithstanding, a supplemental indenture under this Article X that affects any rights or obligations of the Airline shall not become effective unless and until the Airline shall have consented to the execution and delivery of such supplemental indenture.

The Airline shall be given prior written notice of the proposed execution and delivery of any supplemental indenture whether or not its rights or obligations are affected. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed by certified or registered mail to the Airline at least fifteen (15) days before the date of the mailing of notice of the proposed execution of such supplemental indenture as hereinbefore in Section 1002 provided. The Airline shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive at its principal corporate trust office (Attention: [ ]) a letter of protest or objection thereto signed by or on behalf of the Airline on or before 4:30 P.M., Chicago time, on the fifteenth day after the mailing of said notice and a copy of the proposed supplemental indenture.

(b) The Trustee may, but shall not be obligated to, enter into any supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Article XI.

Amendment Of Agreement.

Section 1101. Amendments, Etc., To Agreement Not Requiring Consent Of Bondholders.

The City and the Airline may, with the written consent of the Trustee, but without the consent of or notice to any of the Bondholders, enter into any amendment, change or modification of the Agreement as may be required (a) by the provisions of the Agreements or this Indenture, (b) for the purpose of curing any ambiguity, formal defect or formal omission or in connection with any other change therein, provided that no such action is to the prejudice of the Trustee or the Owners of the Bonds, or (c) so as to add additional rights acquired in accordance with the provisions of the Agreement; provided that any amendment to Exhibit A to the Agreement contemplated in Section 3.1 of the Agreement shall not be deemed to be an amendment of the Agreement for any purpose of this Article XI.

Section 1102. Amendments, Etc., To Agreement Requiring Consent Of Bondholders.

Except for the amendments, changes or modifications as provided in Section 1101 hereof, neither the City nor the Airline shall enter into any other amendment, change or modification of the Agreement without mailing of notice and the written approval or consent of both the Owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding given and procured as provided in this section; provided that nothing in this section or Section 1101 hereof shall permit or be construed as permitting (a) an extension of the time of the payment of any amounts payable under Section 4.2 of the Agreement, or (b) a reduction in the amount of any payment or in the total amount due under Section 4.2 or of the Agreement. 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 Agreement, the Trustee shall, at the request of the City and upon being satisfactorily indemnified with respect to expenses' cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 602 hereof with respect to redemption of Bonds. 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 with 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 mailing of such notice, both the Owners of a majority in principal amount of the Bonds outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond 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 Airline or the City from executing the same or from taking any action pursuant to the provisions thereof, or the Trustee from consenting thereto. The City shall have the right to extend from time to time the period within which such consent and approval may be obtained from the Bondholders. Upon the execution of any such amendment, change or modification as in this section permitted and provided the Agreement shall be and be deemed to be modified, changed and amended in accordance therewith.

Section 1103. Reliance On Opinion Of Counsel.

The City and the Trustee may rely upon an opinion of Counsel to the effect that any such proposed amendment, change or modification will comply with the provisions of this Article XI and is enforceable in accordance with its terms.

Section 1104. No Consent For Assignment Of Agreement By Airline.

Nothing in this Article XI or elsewhere in this Indenture shall be construed as requiring the consent or approval of the Trustee or any of the

Bondholders to an assignment of the Agreement in whole or in part by the Airline in accordance with Section 5.6 of the Agreement.

Section 1105. Consent Of Trustee.

The Trustee may, but shall not be obligated to, consent to any amendment, change or modification of the Agreement that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Article XII.

Discharge Of Indenture.

Section 1201. Discharge Of Lien Of Indenture.

(a) If the City shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Owners of the Bonds of the principal or redemption price (including any premium) of and interest due or to become due on the Bonds at the times and in the manner stipulated therein and if the City shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof to the extent provided herein, and if the Trustee shall be furnished with an opinion of Counsel to the effect that all conditions precedent to the satisfaction and discharge of this Indenture have been fulfilled, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon 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 cancel and discharge the lien of this Indenture, and reconvey, release, assign and deliver unto the City any and all the estate, right, title and interest in and to any and all property conveyed, assigned or pledged to the Trustee or otherwise subject to this Indenture, except for amounts required to be paid to the Airline under Section 413 hereof, which shall be so paid, and except for moneys or securities held by said Trustee for the payment of the principal of and interest on the Bonds.

(b) Any Bond shall be deemed to be paid within the meaning of this Article when payment of the principal or redemption price (including any premium) of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (i) moneys sufficient to make such payment, and/or (ii) Governmental Obligations (provided that the Trustee shall have received an opinion of Bond Counsel to the effect that such deposit will not affect the tax-exempt status of the interest on any of the Bonds nor cause any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code) maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Airline under the Agreement shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of any such payment from such moneys or Governmental Obligations (including earnings therefrom).

(c) No Bonds in respect of which a deposit under clause (b)(2)(ii) above has been made shall be deemed paid within the meaning of this Article unless the Trustee is satisfied, based upon a verification report prepared by a firm of independent certified public accountants, that the amounts deposited are sufficient to make all payments that might become due on the Bonds.

(d) Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Airline also be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Governmental Obligations in the hands of the Trustee pursuant to this Article that is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Special Facility Revenue Fund, as appropriate, as and when realized and collected for use and application as are other moneys deposited in that fund.

(e) Anything in Article XI hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and the interest thereon and such Bonds and the interest thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each of the Bonds affected thereby.

(f) Notwithstanding the foregoing, those provisions relating to the maturity of Bonds interest payments and dates thereof, and the dates and notice requirements for optional and mandatory redemption and the Trustee's remedies with respect thereto, and provisions relating to exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost, stolen or undelivered Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments to the Airline from any Funds pursuant to Section 413 hereof and the duties of the Trustee in connection with all of the foregoing and the fees, expenses and indemnities of the Trustee, shall remain in effect and shall be binding upon the Trustee, the City, the Airline, and the Bondholders notwithstanding the release and discharge of the lien of this Indenture.

Article XIII.

Miscellaneous.

Section 1301. Consents, Etc., Of Bondholders.

(a) Any consent, approval, direction 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 such consent, approval, direction or other instrument or of the writing appointing any such agent, 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:

(1) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgements within such jurisdiction that the Person signing such instrument or writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution or in any other manner satisfactory to the Trustee; and

(2) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books of the City maintained by the Trustee pursuant to Section 205 hereof.

(b) For all purposes of this Indenture and of the proceedings for the enforcement hereof, such Person shall be deemed to continue to be the Owner of such Bond until the Trustee shall have received notice in writing to the contrary, which notice shall be made in the manner prescribed in this Section.

(c) In determining whether the Owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds that are owned by the Airline or any affiliate thereof, and that are known to be so owned by an officer of the Trustee assigned to its [Corporate Trust Division], shall be disregarded and deemed not to be Outstanding hereunder for the purpose of any such determination unless all Bonds are owned by the Airline or any affiliate thereof, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Notwithstanding the foregoing, Bonds so owned that have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Airline or any affiliate of the Airline.

(d) Any such consent, approval, direction or other instrument shall be binding upon the Owner of the Bond giving such consent and, anything in this Section 1301 to the contrary notwithstanding, upon any subsequent Owner of such Bond and of any Bond issued in exchange therefor or on registration of transfer thereof (whether or not such subsequent Owner thereof has notice thereof), unless such consent, approval, direction or other instrument is revoked in writing by the Owner of such Bond giving such consent or by a subsequent Owner thereof by filing with the Trustee, before the taking by the Trustee of any action on the basis of such consent, approval, direction or other instrument, such revocation. At any time after the Owners of the required percentage of Bonds shall have filed their consents to any action permitted hereby to be taken by the Owners of such percentage of Bonds, the Trustee shall make and file with the City a written statement that the Owners of such required percentage of Bonds have file such consents. Such written statement shall be conclusive evidence that such consents have been so filed.

Section 1302. Limitation Of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied for this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Airline, and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture. This Indenture and all of the covenants, conditions and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Owners of the Bonds, and the Airline as herein provided.

Section 1303. Severability.

If any provision of this Indenture shall be invalid, 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 public policy, or for any other reason, such circumstance 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 contained in this Indenture shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1304. Notices.

Except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given to the parties required hereunder to receive such notice, certificate or communication when mailed by registered or certified mail, postage prepaid, addressed as follows (provided that notices hereunder to the Trustee shall be effective when received by the Trustee):

If To The City:	City of Chicago Office of Comptroller Room 501, City Hall 121 North LaSalle Street Chicago, Illinois 60602 Attention: City Comptroller
With A Copy To:	City of Chicago Department of Aviation 20 North Clark Street Suite 3000 Chicago, Illinois 60602 Attention: Commissioner of the Department of Aviation
If To The Airline Mailing Address:	Lufthansa German Airlines John Hancock Center Suite 3020 875 North Michigan Avenue Chicago, Illinios 60611

Attention: Manager of
Administration and
Personnel

With A Copy To:

Lufthansa German Airlines
1640 Hempstead Turnpike
East Meadows, New York 11554

Attention: Manager of Legal Affairs
U.S.A.

It To The Trustee:

Independence Bank of Chicago
7936 South Cottage Grove Avenue
Chicago, Illinois 60619

Attention: L. Irene Jackson,
Trust Administrator

And To:

The First National Bank of Chicago
One First National Plaza
Suite [ ]
Chicago, Illinois 606[ ]

Attention:

If by reason of the suspension of mail service, it shall be impracticable to give notice by mail of any event to the Owner of any Bonds, to the City or to the Airline when such notice is required to be given to any provisions of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of notice.

Section 1305. Holidays.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture and no interest shall accrue for the period after such date.

Section 1306. Counterparts.

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

Section 1307. Applicable Law.

This Indenture shall be governed exclusively by and construed in accordance with the laws of the state applicable to contracts made and to be performed in the state.

Section 1308. City's Obligations Limited.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (a) the City may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the City by the Trustee or the Airline as to the existence of any fact or state of affairs required hereunder to be noticed by the City; (b) the City shall not be under any obligation hereunder to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed either by the Trustee or the Airline; and (c) none of the provisions of this Indenture shall require the City to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses and liability which may be incurred thereby. Notwithstanding anything herein contained to the contrary, any obligation that the City may incur under this Indenture or under any instrument executed in connection herewith that shall entail the expenditure of money shall not be a general obligation of the City but shall be a limited obligation payable solely from Special Facility Revenues.

Section 1309. Immunity Of Officers, Employees, Agents And Members Of Governing Body Of City.

No recourse shall be had for the enforcement of any obligation, promise or agreement of the City contained in the Agreement, this Indenture or in any Bond issued hereunder for any claim based thereon or otherwise in respect thereof, against any officer, employee or agent, or member of the Governing Body, as such, in his individual capacity, past, present or future, of the City or of any successor thereto, either directly or through the City or any successor thereto, whether by virtue of any constitutional provision, statute or rule or law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Indenture, the Bonds and the Agreement are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any officer, employee or agent, or member of the Governing Body as such, past, present or future, of the City or any successor thereto, either directly or through the City or any successor thereto, under or by reason of any of the obligations, promises or agreements entered into between the City and the Airline neither contained in the Agreement or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such officer, employee or agent, or member of the Governing Body of the City is, by the execution of the Agreement and this Indenture, and as a condition of, and as part of the consideration for, the execution of the Agreement and this Indenture, expressly waived and released.

Section 1310. Captions.

The captions or headings in this Indenture are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Indenture.

[Remainder of page intentionally left blank.]

In Witness Whereof, The City has caused these presents to be signed in its name and behalf by its City Comptroller and its corporate seal to be hereunto affixed 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 [Vice Presidents] and attested by one of its [Assistant Secretaries], all as of the first day of October, 1990.

City of Chicago

By: ____________________________
City Comptroller

(Seal)

Attest:

____
City Clerk

Independence Bank of Chicago, as Trustee

By: ____________________________
____

Attest:

____
____

The First National Bank of Chicago,
as Trustee

By: ______________________________
____

Attest:

____
____

Exhibit "A" attached to this Indenture reads as follows:

Exhibit "A"

Form Of Bond.

[Form Of Face Of Bond]

Registered No. R-	Registered $

Interest Rate: Maturity Date: Dated Date: C.U.S.I.P.:

Registered Owner:

Principal Amount:

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bond

(Lufthansa German Airlines Project)

Series __________.

The City of Chicago (the "City"), a municipal corporation and home rule unit of local government duly organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay, from the sources and in the manner hereinafter provided, to the Registered Owner identified above or registered assigns, upon presentation and surrender of this Bond the Principal Amount identified above on the Maturity Date identified above, unless the Bond shall earlier have been called for redemption and payment of the redemption price (including any premium) shall have been duly made or provided for, and to pay the Registered Owner hereof interest thereon from the Dated Date identified above to the Maturity Date or earlier redemption of this Bond, at the Interest Rate identified above payable on [Payment Month] [Payment Day], [Year] and semiannually thereafter on each [Anniversary Month] [Payment Day] and [Payment Month] [Payment Day] (each an "Interest Payment Date") until the City's obligation with respect to the payment of such Principal Amount shall be discharged, at the principal corporate trust office in the City of Chicago, State of Illinois of the Trustee hereinafter mentioned. Principal of and interest and redemption premium, if any, on this Bond are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds by the City designated as its "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project)", (the "Bonds") issued and to be issued in one or more series pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, and certain ordinances of the City Council of the City, and executed under an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project) (the "Indenture") dated as of October 1, 1990, from the City to the Trustee, for the purpose of providing funds to finance the costs of certain improvements constituting a cargo facility at Chicago-O'Hare International Airport and further improvements and other accessions thereto for use by Deutsche Lufthansa Aktiengesellschaft, operating in the United States under the name "Lufthansa German Airlines", a corporation organized under the laws of the Federal Republic of Germany (the "Airline"), and for paying costs and expenses incidental thereto and to the issuance of the Bonds.

Payments sufficient to provide for the payment when due of the principal of and interest and redemption premium, if any, on the Bonds are required to be made directly to the Trustee for the account of the City by the Airline under the terms of a Special Facility Use Agreement dated as of October 1, 1990 (the "Agreement"), between the City and the Airline relating to the Bonds. The Bonds are all issued under and equally and ratably secured by and entitled to the security of a pledge and assignment of the revenues and receipts derived by the City pursuant to the Agreement, and all receipts of the Trustee credited under the provisions of the Indenture against such payments, and from certain other moneys held by the Trustee under the Indenture for such purpose, and there shall be no recourse against the City or any property now or hereafter owned by it other than against said revenues and receipts. In addition, the Airline has delivered to the Trustee its Guaranty unconditionally guaranteeing the payment of principal of and interest on the Bonds and the redemption price of the Bonds in the event of a mandatory redemption under the Indenture, as the same shall be due and payable, and all payments under such Guaranty shall be remitted directly to the Trustee for the account of the City under the Indenture. The Agreement, and the obligations of the Airline, thereunder, may under certain circumstances be assigned in whole or in part by the Airline, without the necessity of obtaining the consent of either the Trustee or the Bondholders.

The 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. Neither the faith and credit nor the taxing power of the City, the State of Illinois or any political subdivision thereof is pledged to the payment of the principal or redemption price (including any premium) of the Bonds, or the interest thereon, or other costs incident thereto. The Bonds are payable solely from the special facility revenues in the Indenture pledged to such payment and no owner or owners of the Bonds shall ever have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof nor to enforce the payment of the Bonds against any property of the City, the State of Illinois or any such political subdivision. The Project (as defined in the Indenture) is not security for the Bonds, and the Bonds are not secured by any other property or improvements at Chicago-O'Hare International Airport or the revenues derived by the City from the operation of said Airport generally.

As provided in the Indenture, Bonds may be issued from time to time pursuant thereto in one or more Series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture. The aggregate principal amount of Bonds which may be issued pursuant to the Indenture is not limited and all Bonds issued and to be issued pursuant to the Indenture are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

This Bond is one of a series of Bonds designated "Series ________Bonds" (the "Series Bonds"), issued in the aggregate principal amount of $_________ pursuant to the Indenture, for the purposes authorized by the Indenture. Copies of the Indenture and the Agreement are on file at the office of the City Clerk and at the principal corporate trust offices of Independence Bank of Chicago and The First National Bank of Chicago in Chicago, Illinois, jointly and severally as trustee under the Indenture, or their successors as trustee (the "Trustee"), and reference to the Indenture and any and all supplemental indentures thereto and to the Agreement and any and all modifications and amendments thereof is made for a complete description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies thereof is made for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, and the rights and remedies of the Registered Owners of the Bonds with respect thereto.

Reference Is Hereby Made To The Further Provisions Of This Bond Set Forth On The Reverse Hereof And Such Further Provisions Shall For All Purposes Have The Same Effect As If Set Forth Here.

It Is Hereby Certified, Recited And Declared, that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law, and that the issuance of this Bond and the series of which it forms a part does not exceed or violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture unless and until the 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 facsimile signature of its Mayor and the facsimile of its corporate seal to be printed hereon and attested by the facsimile signature of its City Clerk.

Dated: ____________________

City of Chicago

By: [Facsimile Signature]__________
Mayor

Attest:

[Facsimile Signature]__________
City Clerk

[Facsimile Seal]

[Form Of Trustee's Certificate Of Authentication]

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

____________________, as Trustee

By: ______________________________
Authorized Signature

[Form Of Reverse Of Bond]

This Bond is transferable as provided in the Indenture, only upon the books of the City kept for that purpose at the principal corporate trust office of the Trustee, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or such duly authorized attorney. Upon the surrender for registration of transfer hereof, the City shall execute and the Trustee shall authenticate a new Bond or Bonds registered in the name of the transferee of the same aggregate principal amount, maturity and interest rate as the surrendered Bond. The City, the Trustee, and any agent of the City or the Trustee may treat the person in whose name this Bond is registered as the owner hereof for the purpose or receiving payment as herein and in the Indenture provided and for all other purposes, whether or not this Bond is overdue, and neither the City, the Trustee, nor any such agent shall be affected by notice to the contrary.

The Series _________ Bonds are issuable solely in the form of registered Bonds in the denomination of $5,000, or any integral multiple thereof. Upon the payment of the charges, if any, this Bond, upon surrender at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his attorney duly authorized in writing, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denominations.

Payments of interest alone on any Interest Payment Date shall be made to the Registered Owner hereof as of the close of business on the [Record Date 1] or [Record Date 2] immediately before such Interest Payment Date (each a "Record Date"), and shall be (i) paid by check or draft mailed to such Registered Owner hereof at his address as it appears on the registration books of the City maintained by the Trustee as Bond Registrar (or any co-registrar appointed pursuant to the provisions of the Indenture), or (ii) made by wire transfer to such Registered Owner upon written request indicating the applicable wire transfer address in the continental United States by such Registered Owner to the Trustee given not less than [ ] days before such Record Date; provided that such Registered Owner shall, as of the close of business on such Record Date, own [Wire Transfer Minimum Ownership] or more in aggregate principal amount of the Bonds. If any Interest Payment Date is not a Business Day (as defined in the Indenture), then the applicable interest payment shall be made on the first Business Day thereafter. Interest on the Bonds shall be computed on the basis of a year of 360 days comprising twelve 30-day months.

[Insert applicable redemption terms]

The Bonds are subject to optional and mandatory redemption under certain conditions, in addition to those described above, as provided in the Indenture. Notice of any such redemption must be given to the Registered Owners of the Bonds by registered or certified mail not less than thirty (30) days nor more than sixty (60) days before the redemption date. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been given, whether or not Registered Owners of the Bonds receive the notice.

This Bond and all other Bonds of the issue of which it forms a part are issued pursuant to 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 pursuant to an ordinance adopted by the City Council of the City, which ordinance authorizes the execution and delivery of the Indenture. This Bond and the issue of which it forms a part are limited obligations of the City payable solely from the amounts derived under the Agreement and pledged under the Indenture consisting of: (i) all amounts payable from time to time by the Airline with respect to the Bonds pursuant to the Agreement (except for amounts payable with respect to Unassigned Rights as defined in the Indenture) and all receipts of the Trustee credited under the provisions of the Indenture against said amounts payable, (ii) any portion of the net proceeds of the Bonds deposited with the Trustee under the Indenture, and (iii) any amounts paid into the Bond Fund created in the Indenture from the Construction Fund created in the Indenture, including moneys attributable to Bond proceeds or the income from the temporary investment thereof.

No recourse shall be had for the payment of the principal of or interest or redemption premium, if any, on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, employee or agent, or member of the City Council of the City, or any successor to the City, as such, either directly or through the City, or any successor to the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, employee or agent, or member of the City Council, as such, is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or 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 proceeding with respect thereto, except as provided in the Indenture. If an event of default as defined in the Indenture occurs and is continuing, the principal of all Bonds then outstanding issued under the Indenture may be declared due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

The Indenture prescribed the manner in which it may be discharged and after which the Bonds shall no longer be secured by or entitled to the benefits of the Indenture, except as provided in the Indenture and for the purposes of registration and exchange of Bonds and of such payment, including a provision that the Bonds shall be deemed to be paid if Governmental Obligations, as defined therein, maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of and interest on the Bonds and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

[Form Of Assignment]

For Value Received, the undersigned sells, assigns and transfers unto ______________________________(Name and Address of Assignee) the within Bond of the City of Chicago and does hereby irrevocably constitute and appoint attorney to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

____

Dated: ________________________

Signature Guaranteed:

Notice: The signature subscribed to this assignment must be guaranteed by a commercial bank or trust company or by a member of The New York Stock Exchange, Inc.

Notice: The signature subscribed to this assignment must correspond to the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN. COM. -- as tenants in common

TEN. ENT. -- as tenants by the entireties

JT. TEN. -- joint tenants with right of survivorship and not as tenants in common

UNIF. GIFT. MIN. ACT. --
______________________ as Custodian for ______________________
(Cust) (Minor)

under Uniform Gifts to Minors Act of ______________
(State)

Additional abbreviations may also be used though not in the above list.

Variable Rate Demand Bond Provisions

For Insertion Into The

Indenture Of Trust

Securing Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Deutsche Lufthansa Aktiengesellschaft Project).

[If the Series 1990 Bonds are to be issued as variable rate demand bonds, the following provisions need to be inserted into the Indenture. Where section numbers or defined terms already exist in the form of Indenture, the provisions below are to replace the existing provisions.]

General.

[References to payment of "principal of and interest and redemption premium, if any, on" shall be changed to "principal and purchase price upon tender, if any, and interest and redemption premium, if any, on".]

Definitions.

["Administrative Expenses" shall include fees and expenses of any Remarketing Agent or Tender Agent.]

"Bond Purchase Date" means, for any Bond of a Series of Bonds which may become Tendered Bonds, (i) each Business Day selected by the Registered Owner of such Bond pursuant to the provisions of this Indenture which permit the tender of such Bond for purchase and (ii) each Business Day upon which such Bond is required to be tendered for purchase by the Registered Owner thereof by the provisions of this Indenture.

"Bond Purchase Fund" means the Fund created by Section 417 of this Indenture.

"Conversion Date" means any date on which the Interest Rate Mode of part or all of any Series of Bonds changes.

"Credit Agreement" means, for any Credit Facility and Credit Provider, the agreement or instrument between such Credit Provider and the Airline or the City, as the case may be, which governs the rights, duties and obligations of such parties with respect to the issuance and maintenance of such Credit Facility, as such agreement or instrument may be amended or supplemented.

"Credit Facility" means, for part or all of any Series of Bonds, the guaranty, irrevocable letter of credit, line of credit bond purchase agreement, bond insurance or other form of credit enhancement or liquidity support, if any, from time to time in effect whether the original Credit Facility or any alternate or replacement Credit Facility, as each may from time to time be transferred, assigned, reissued or extended in accordance with its terms, for such Bonds specified in this Indenture with respect to such Series of Bonds. The issuance by the Credit Provider of a new form of its Credit Facility pursuant to its Credit Agreement which effects one or more of the following changes and makes no other amendments or change to such Credit Facility shall be considered for purposes of this Indenture to continue to be such Credit Facility, rather than an alternate or replacement Credit Facility; (i) an extension of the regularly scheduled expiration date; (ii) a change in the fees and expenses to be paid to such Credit Provider; (iii) changes to any of the addresses set forth therein; (iv) a change in the amount of interest, the payment of which is secured by such Credit Facility, whether by increasing or decreasing the number of days for, or the rate of interest at, which such interest is to be payable for purposes of determining such amount of interest; and (v) the addition or deletion of coverage by such Credit Facility of premium payable with respect to the Bonds for which such Credit Facility was furnished.

"Credit Facility Termination Date" means, for any Credit Facility, the date on which such Credit Facility is to expire by its terms.

"Fixed Interest Rate" means the fixed rate of interest to be applicable to part or all of any Series of Bonds following exercise by the Airline of its option to convert such Bonds to the Fixed Interest Rate Mode pursuant to the provisions of this Indenture.

"Fixed Interest Rate Mode" means the mode in which the interest rate on part or all of any Series of Bonds is determined and in effect for the remaining term of such Bonds.

"Fixed Rate Conversion Date" means, (i) for Bonds of any Series which are in a Variable Interest Rate Mode, the date, determined in accordance with the provisions of this Indenture, upon which any Bonds of such Series begin to bear interest at a Fixed Interest Rate, and (ii) for Bonds of any Series issued in a Fixed Interest Rate Mode, the date of initial issuance thereof.

"Initial Interest Rate Period" means, for any Series of Bonds, the period from the date of initial issuance of such Bonds through and including the first Interest Rate Adjustment Date with respect to such Bonds.

"Initial Rate" means, for any Series of Bonds, the interest rate on such Bonds for the Initial Interest Rate Period for such Bonds.

"Interest Payment Date" means, for any Series of Bonds, each date on which interest on such Bonds is payable and, in the case of any Bonds of any Series in the Fixed Interest Rate Mode, shall mean the first (1st) day of each May and November, beginning with the first of such dates to occur after the issuance of such Bonds, or, if such day is not a Business Day, then the first Business Day thereafter, unless otherwise specified with respect to a particular Series of Bonds in this Indenture.

"Interest Rate Adjustment Date" means, for any Series of Bonds, each date, which shall be a Business Day, on which part or all of the Bonds of such Series will begin to bear interest at a rate announced on an Interest Rate Determination Date for such Bonds and shall be the date set forth in the provisions of this Indenture applicable to such Series and to the particular Interest Rate Mode for such Bonds.

"Interest Rate Determination Date" means, for any Series of Bonds, each date, which shall be a Business Day, on which interest on such Bonds is determined and announced by the Remarketing Agent for such Series of Bonds and shall be the date set forth in the provisions of this Indenture applicable to such Series and to the particular Interest Rate Mode for such Bonds.

"Interest Rate Mode" means, for part or all of the Bonds of any Series, as the case may be, the mode in which the Interest Rate for such Bonds is being determined, and includes the Fixed Interest Rate Mode, the Variable Interest Rate Mode and any other mode in which the Interest Rate of any Bonds shall be determined pursuant to the provisions of this Indenture.

"Mandatory Purchase Date" means any of the dates specified in this Indenture on which Bonds of any Series are subject to Mandatory Purchase.

"Mandatory Purchase" means the mandatory purchase of Bonds of any Series upon the occurrence of certain events as provided by the provisions of this Indenture applicable to such Series.

"Purchase Price" means, with respect to any Tendered Bonds, 100% of the principal amount of such Bonds, plus, in the case of Bonds in the Weekly Interest Rate Mode, accrued and unpaid interest on such Bonds.

"Remarketing Agent" means any person meeting the qualifications of Section [917] designated from time to time to act as Remarketing Agent for any Series of Bonds under Section [916].

"Tender Agent" means any person meeting the qualifications of and designated to act as Tender Agent for any Series of Bonds under Section [921].

"Tender Agency Agreement" means, for any Series of Bonds, the agreement pursuant to which the Tender Agent for such Series agrees to accept the duties of Tender Agent provided under Section [921].

"Tendered Bonds" means Bonds of any Series tendered to the Trustee or the Tender Agent, pursuant to the provisions of this Indenture permitting or requiring such tender, by the Registered Owners thereof for purchase other than by the City pursuant to provisions of the Indenture for optional or mandatory redemption.

"Undelivered Bond" means any Bond which is deemed tendered but which is not actually delivered for purchase on the applicable Bond Purchase Date.

"Unremarketed Bonds" means Bonds purchased with moneys drawn or otherwise furnished under a Credit Facility for such Bonds which are being held for the benefit of the Credit Provider of such Credit Facility pursuant to the provisions of this Indenture, the Credit Agreement for such Credit Facility or any pledge or similar agreement or instrument with respect to such Bonds entered into in connection with such Credit Facility.

"Variable Interest Rate Mode" means any Interest Rate Mode in which the rate of interest on Bonds of any Series is reset from time to time, and includes the Weekly Interest Rate Mode.

"Weekly Interest Rate Mode" means the mode in which the interest rate on part or all of the Bonds of any Series is reset on a periodic basis approximating one week as provided in the applicable provisions of this Indenture.

"Weekly Interest Rate Period" means the period of time in which part or all of the Bonds of any Series bear interest in the Weekly Interest Rate Mode as provided in the applicable provisions of this Indenture.

[Section 204.]

[Paragraph (a) shall be modified to reflect the designation of the Series 1990 Bonds as "Variable Rate Demand Series 1990", that the form of the Bond will include the optional redemption, tender for purchase and transfer or exchange provisions in insertions to Exhibit A below consistent with the provisions herein, and that Authorized Denominations for the Series 1990 Bonds shall be integral multiples of $100,000 until the Fixed Rate Conversion Date, and integral multiples of $5,000 thereafter.]

(c) From the date on which the Series 1990 Bonds are issued to [December], 199[0], (the initial Interest Rate Adjustment Date), the interest rate on all of the Series 1990 Bonds shall be [Initial Interest Rate]% per annum. Thereafter, the Series 1990 Bonds shall bear interest at the Weekly Interest Rate announced by the Remarketing Agent for the Series 1990 Bonds, which shall initially be [Smith Barney, Harris Upham & Co., Incorporated] on each Interest Rate Determination Date, until the Fixed Rate Conversion Date.

(d)

(1) As long as the Series 1990 Bonds bear interest in a Weekly Interest Rate Mode, the Series 1990 Bonds are subject to optional redemption by the City, at the direction of the Airline and upon compliance with the terms of the Credit Agreement with the Credit Provider for the Series 1990 Bonds, on any Interest Rate Adjustment Date, in whole or in part in Authorized Denominations, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest to the date set for redemption.

(2) From and after the Fixed Rate Conversion Date, Series 1990 Bonds are subject to optional redemption by the City, upon the written direction of the Airline, beginning with the [third] anniversary of the Fixed Rate

Conversion Date, in whole at any time or in part on any Interest Payment Date, at the applicable redemption prices (expressed as percentages of the principal amount of the Bonds to be so redeemed) set forth in the following table, plus accrued interest to the date set for redemption:

Redemption Dates (Dates Inclusive)	Redemption Price
First Interest Payment Date following the [Third] anniversary of the Fixed Rate Conversion Date to but excluding the [Seventh] anniversary of the Fixed Rate Conversion Date	[103%]
First Interest Payment Date following the [Seventh] anniversary of the Fixed Rate Conversion Date to but excluding the [Eighth] anniversary of the Fixed Rate Conversion Date	[102%]
First Interest Payment Date following the [Eighth] anniversary of the Fixed Rate Conversion Date to but excluding the [Ninth] anniversary of the Fixed Rate Conversion Date	[101%]
First Interest Payment Date following the [Ninth] anniversary of the Fixed Rate Conversion Date to the Stated Maturity of the Series 1990 Bonds	[100%]

(f) The City hereby designates [ ] to act as Tender Agent for the Series 1990 Bonds. The City hereby authorizes and directs the Trustee to execute and deliver such agreements and instruments as shall be reasonably required to authorize such appointment and to evidence acceptance and assumption of the duties of Tender Agent for the Series 1990 Bonds pursuant to the provisions of Section 921 hereof.

(g) The principal of the Series 1990 Bonds shall be payable to the Registered Owners thereof upon presentation and surrender of such Bonds, when due, at the principal office of the Trustee or such other office as the Trustee may designate from time to time in writing to the Bondholder. The interest on the Series 1990 Bonds shall be paid by check or draft drawn upon the Trustee, made payable to the order of the Registered Owners thereof as of the close of business on the relevant Record Date, and mailed to the address of the Registered Owner shown on the registration books of the Trustee. Owners of $1,000,000 or more in aggregate principal amount of the Series 1990 Bonds may submit to the Trustee not later than 15 days before the Record Date a written request that interest be payable by wire transfer to such Owner of the Bonds. Payment as aforesaid shall be made in lawful money of the United States of America. The term "Record Date", as used with respect to any Series 1990 Bonds while such Bonds are in the Weekly Interest Rate Mode, means the Business Day before an Interest Payment Date.

Section 212. Interest Rates On Bonds.

(a) While the Bonds of any Series bear interest in any Variable Interest Rate Mode, the interest rate for a particular Interest Rate Period will be the rate announced by the Remarketing Agent on the Interest Rate Determination Date, which (except under certain circumstances described below) shall also be the Interest Rate Adjustment Date. Such interest rate is effective beginning on the Interest Rate Adjustment Date for the succeeding Interest Rate Period. The interest rate announced by the Remarketing Agent on the Interest Rate Determination Date will be that rate of interest per annum announced and confirmed in writing to the Trustee on the Interest Rate Determination Date by the Remarketing Agent to be the minimum interest rate per annum necessary, during the Interest Rate Period beginning on the Interest Rate Adjustment Date, in the judgment of the Remarketing Agent, to produce a par bid in the secondary market for the affected Bonds on the Interest Rate Determination Date.

(b) If (i) the Remarketing Agent has been removed or has resigned and no successor has been appointed, or (ii) the Remarketing Agent has failed to announce the appropriate interest rate on the Interest Rate Determination Date for whatever reason, or (iii) the appropriate interest rate cannot be determined for whatever reason, the interest rate then in effect for any affected Bonds, without adjustment, will continue for the next Interest Rate Period and the Interest Rate Mode will not be changed.

(c) The interest rate on the Bonds of any Series shall not exceed [fifteen percent (15%)] per annum.

(d) On each Interest Rate Determination Date for any Series of Bonds, the Remarketing Agent will give the Airline, the Book-Entry Depository and the Trustee notice by facsimile transmission or by telephone, confirmed in writing, of the interest rate to be borne by the affected Bonds for the following Interest Rate Period. After any Interest Rate Determination Date any Registered Owner of affected Bonds may contact the Trustee or the Remarketing Agent in order to be advised of the applicable interest rate. Not later than the Business Day following the Interest Rate Determination Date, the Trustee shall notify the City, the applicable Credit Provider, the Book-Entry Depository, and the Tender Agent of the Interest Rate. No notice of the applicable interest rate will be sent to the Registered Owners of affected Bonds. The interest rate announced by the Remarketing Agent, absent manifest error, is binding and conclusive upon the Registered Owners of the affected Bonds, the Airline, the City and the Trustee.

Section 213. Interest Rate Modes, Interest Rate Determination Date, Interest Rate Periods.

(a) Weekly Interest Rate Period.

(1) Each Interest Rate Period during a Weekly Interest Rate Mode for any Series of Bonds shall be for a period of approximately one week beginning on Wednesday and ending on the day preceding the first day of the next Interest Rate Period; provided that if any Wednesday is not a Business Day, the Interest Rate Period shall begin on the next succeeding Business Day.

(2) Each Interest Rate Determination Date shall be not later than [11:00 A.M., Chicago, Illinois time] on the Interest Rate Adjustment Date; provided that if any Interest Rate Adjustment Date is the first Business Day of a month, the Interest Rate Determination Date shall be the first Business Day before such Interest Rate Adjustment Date.

(3) The Interest Rate Adjustment Date for any Weekly Interest Rate Mode shall be the first day of each successive Interest Rate Period, as set forth in paragraph (i) above.

(b) Fixed Interest Rate Period.

(1) The Interest Rate Period for any Fixed Interest Rate Mode shall begin on the Fixed Rate Conversion Date and continue through the stated Maturity of the Bonds.

(2) Except for any Series of Bonds initially issued in a Fixed Rate Interest Mode, the Interest Rate Determination Date shall be not later than 2:00 P.M. Chicago, Illinois time on the day which is 15 calendar days before the Fixed Rate Conversion Date.

(3) The Interest Rate Adjustment Date for any Series of Bonds in a Fixed Rate Interest Mode shall be the Fixed Rate Conversion Date.

Section 214. Conversion Between Interest Rate Modes.

The Interest Rate Mode applicable to some or all Bonds of any Series may be changed, at the election of the Airline in the manner described below.

(a) Conversion To Fixed Interest Rate Mode.

(1) On any Interest Rate Adjustment Date while Bonds of any Series bear interest at a Variable Interest Rate, the Interest Rate on some or all of such Bonds may, at the direction of the Airline, be converted to the Fixed Interest Rate Mode. The date of such conversion shall be the Fixed Rate Conversion Date. After the Fixed Rate Conversion Date, the adjustable rate, purchase and tender features of such Bonds shall be permanently terminated. From and after the Fixed Rate Conversion Date, such Bonds shall bear interest at the Fixed Interest Rate determined in the manner provided herein. In order to exercise its option, the Airline shall deliver a notice to the Trustee, the Remarketing Agent and the Book-Entry Depository specifying such Conversion Date, which shall be a Business Day not less than 45 days following the date such notice is sent. On or before the 20th day before the Fixed Rate Conversion Date, the Airline may specify that such Bonds may be secured by a different Credit Facility from the Credit Facility theretofore in effect, including bond insurance or changes to or deletions of the Credit Facility; provided that such designation shall be effective only if it does not adversely affect the ability of Bond Counsel to render the opinion described below.

(2) The Fixed Interest shall be established by the Remarketing Agent on or before the 15th day preceding the Fixed Rate Conversion Date. Upon determining the Fixed Interest Rate the Remarketing Agent shall immediately notify the Airline, the Trustee, the City and the Tender Agent of such Fixed Interest Rate, by telephone, promptly confirmed in writing.

(3) Not less than 25 days before the Fixed Rate Conversion Date stated in the notice from the Airline, the Trustee shall prepare and send notice by first class mail to each Bondholder and/or to the Book-Entry Depository by facsimile stating:

(i) that the affected Bonds are proposed to be converted to the Fixed Rate Interest Mode on the Fixed Rate Conversion Date specified in such notice;

(ii) that the adjustable rate, purchase and tender features of such Bonds will terminate on the Fixed Rate Conversion Date and that, from and after the Fixed Rate Conversion Date, the interest rate(s) on such Bonds will become fixed;

(iii) the Interest Rate Determination Date for such Bonds;

(iv) that after the Fixed Rate Conversion Date the Bondholders will no longer have the right to tender Bonds to the Tender Agent for purchase;

(v) that in connection with the Fixed Rate Conversion Date the Credit Facility will expire and will no longer secure such Bonds or that it will continue and that the security provisions thereof may be revised;

(vi) that all such Bonds shall be subject to mandatory purchase on the Fixed Rate Conversion Date, and all information required to be included in a notice of mandatory purchase pursuant to Section 919, including that any Bonds so required to be purchased which are not delivered to the Tender Agent on or before 10:30 A.M. on the Fixed Rate Conversion Date shall be deemed purchased in accordance with the provisions of Section 919;

(vii) that any bond credit ratings then applicable to such Bonds may change or be withdrawn on or after the Fixed Rate Conversion Date;
(viii) that during the Fixed Rate Period, such Bonds may be issued in denominations of $5,000 or integral multiples thereof; and

(ix) that such Conversion may be rescinded on or before the Interest Rate Determination Rate at the option of the Airline, or thereafter if all conditions to conversion are not satisfied, or in the circumstances described in paragraph (4) of this Subsection (b).

No other notice of the foregoing shall be provided. If the Airline determines on or before the Interest Rate Determination Date to rescind the Conversion or thereafter determines in good faith at any time on or before the Fixed Rate Conversion Date that it is unable to meet the conditions set forth herein to convert such Bonds to the Fixed Interest Rate(s), the Airline will promptly so notify the Trustee and the Trustee will give prompt written notice to the Bondholders that such Bonds will not be converted to the Fixed Interest Rate on such Fixed Rate Conversion Date, but rather will be converted to the Weekly Interest Rate Mode, but such Bonds shall nevertheless be subject to mandatory purchase on such conversion date.

(4) The right of the Airline to consummate the fixed rate conversion option shall be contingent (i) upon its ability to obtain on or before the date of the notice required to be given by the Trustee to the Bondholders pursuant to (3) above, an opinion of Bond Counsel, dated as of the date of such notice, to be reaffirmed as of the Fixed Rate Conversion Date, that

following the Fixed Rate Conversion Date, the Bonds continue to be the valid and binding obligations of the City and that the exercise of the conversion option will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes, and (ii) upon its ability to effect, on or before the 15th day before the Fixed Rate Conversion Date, the execution of a contract of purchase relating to the Bonds between the Airline and the Remarketing Agent or other underwriter or institutional investor, providing for the simultaneous purchase of all such Bonds including all Unremarketed Bonds. The Airline's exercise of the fixed rate conversion option shall be deemed rescinded if all of the foregoing conditions are not satisfied or if the obligations incurred by the purchaser under the contract of purchase described in (ii) above are not fulfilled on the proposed Fixed Rate Conversion Date for any reason, in which event the Bonds shall remain in or be converted to the Weekly Interest Rate Mode and the Trustee shall promptly notify all Bondholders and the Credit Provider of such rescission. In the event of such rescission all such Bonds shall remain subject to mandatory purchase on the proposed Fixed Rate Conversion Date. In such event such Bonds shall be remarketed as Bonds in the Weekly Interest Rate Mode.

(5) Any Bond purchased by the Tender Agent pursuant to the terms of this Indenture from the date notice is required to be given by the Trustee to the Bondholders pursuant to paragraph (3) above to and including the proposed Fixed Rate Conversion Date shall not be remarketed unless the purchaser thereof has acknowledged receipt of a form of notice of conversion conforming to the requirements of paragraph (3) above. The Owner of each such Bond, by its purchase and acceptance of such Bond, irrevocably appoints the Tender Agent as its duly authorized attorney-in-fact for the purposes of assignment, endorsement, certification, execution or acknowledgement that such Owner is holding the Bond for the benefit of the purchaser or purchasers, registration of transfers and delivery of Bonds in the event of a mandatory purchase of such Bonds. The Tender Agent's power of attorney is coupled with an interest.

In the event of any purchase, any Undelivered Bond shall no longer evidence the debt of the City, and the holder thereof shall be entitled only to payment of the Purchase Price for the Undelivered Bond upon delivery thereof from the funds held in the Bonds Purchase Fund maintained by the Trustee.

(c) Conversion to Fixed Interest Rate Mode Final. After the Bonds have been converted to a Fixed Interest Rate Mode, no further conversions between Interest Rate Modes may be made with respect to the Bonds.

Section 215. Book-Entry System.

(a) The Trustee with the consent of the Airline, is hereby authorized to enter into a custody agreement with the Depository Trust Company as described below and establish a book-entry system for the registration of ownership of Bonds.

(b) Upon execution of the custody agreement referred to above, the Depository Trust Company ("D.T.C."), New York, New York, will act as Book-Entry Depository for the Bonds. The ownership of one fully registered Bond for each stated Maturity of Bonds, each in the aggregate principal amount of such stated Maturity, will be registered in the name of Cede & Co., as nominee for D.T.C. Based upon D.T.C.'s representations, D.T.C. is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. Based upon D.T.C.'s representations, D.T.C. was created to hold securities of its participants (the "D.T.C. Participants") and to facilitate the clearance and settlement of securities transactions among D.T.C. Participants in such securities through a electronic book-entry changes in accounts of D.T.C. Participants, thereby eliminating the need of physical movement of securities certificates. Based upon D.T.C.'s representations, D.T.C. Participants include securities brokers and dealers, banks, trust companies that clear through or maintain a custodial relationship with a D.T.C. Participant, either directly or indirectly (the "Indirect Participants").

(c) Based upon D.T.C.'s representations, the book-entry system will operate as follows: the D.T.C. Participants shall receive a credit balance in the records of D.T.C. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") will be recorded through the records of the D.T.C. Participant. Beneficial Owners will receive a written confirmation of their purchase providing details of the Bonds acquired. Transfers of ownership interests in the Bonds will be accomplished by book entries made by D.T.C. and, in turn, by the D.T.C. Participants who act on behalf of the Beneficial Owners. Beneficial Owners will receive certificates representing their ownership interest in the Bonds, except as specifically provided in this Indenture.

(d) So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of D.T.C., references herein to the Bondholders, holders of Bonds or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

(e) D.T.C. may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, Bond certificates are required to be delivered as described in this Indenture. The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Registered Owner of the Bonds.

(f) The Trustee, with the consent of the Airline may determine that continuation of the system of the book-entry transfers through D.T.C. (or a successor securities depository) is not in the best interests of the respective Beneficial Owners. In such event, Bond certificates will be delivered to the Registered Owners in accordance with instruction from D.T.C.

(g) The Trustee will recognize D.T.C. or its nominee as the Bondholder for all purposes, including notices and voting. Conveyance of notices and other communications by D.T.C. to D.T.C. Participants and Indirect Participants and by D.T.C. Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

(h) Principal, redemption, interest and purchase price payments on the Bonds will be made to D.T.C. or its nominee, Cede & Co., as Registered Owner of the Bonds. Upon receipt of moneys, D.T.C.'s current practice is to immediately credit the accounts of the D.T.C. Participants in accordance with their respective holdings shown on the records of D.T.C. Payments by D.T.C. Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such D.T.C. Participants or Indirect Participants and not of D.T.C., the Trustee, the Airline or the City, subject to any statutory and regulatory requirements as may be in effect from time to time.

Section 416. Credit Facility.

(a) The Credit Provider has delivered to the Trustee the Credit Facility for the Series 1990 Bonds which the Trustee hereby acknowledges is held for the equal and ratable benefit of the holders from time to time of the Series 1990 Bonds. The Credit Facility will not secure payment of any premium due and owing on optional redemption of the Series 1990 Bonds, unless the Credit Facility then in effect provides for draws thereunder to pay such premiums.

(b) As long as Bonds of any Series are in a Variable Interest Rate Mode, the Airline shall have the option from time to time to provide the Trustee with an alternate or replacement Credit Facility. Any alternate or replacement Credit Facility shall be effective on or before the Credit Facility Termination Date applicable to the Credit Facility being replaced and shall have a term ending at least fifteen (15) days after an Interest Payment Date for the Bonds secured by such Credit Facility and not sooner than one year after its date of issuance. On or before the delivery of any alternate or replacement Credit Facility to the Trustee, the Airline shall furnish to the Trustee (i) an opinion of Bond Counsel stating that delivery of such alternate or replacement Credit Facility to the Trustee is authorized under this Indenture, complies with the terms of this Indenture, and will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the affected Bonds, (ii) written evidence from Moody's or S. & P. (if such Bonds are then rated) to the effect that such rating agency has reviewed the proposed alternate or replacement Credit Facility and that the substitution of such alternate or replacement Credit Facility for the existing Credit Facility will not, by itself, result in a reduction of such rating agency's current rating on such Bonds or result in a rating of less than A-1 from S. & P. or P-1 from Moody's, and (iii) an opinion of counsel to the Credit Provider of such alternate or replacement Credit Facility that such alternate or replacement Credit Facility has been duly executed and delivered and is the legal, valid and binding obligation of such Credit Provider enforceable in accordance with its terms and addressing such other matters which the Trustee or the Remarketing Agent may reasonably request in form and substance reasonably acceptable to the Trustee and the Remarketing Agent. Upon receipt of notice of the Airline's intent to deliver an alternate or replacement Credit Facility, the Trustee shall give notice to the affected Bondholders of such event and effect a mandatory purchase of the Bonds pursuant to this Indenture simultaneously with acceptance of such alternate or replacement Credit Facility.

(c) If at any time there shall have been delivered to the Trustee an alternate or replacement Credit Facility, together with the other documents and opinions required by this Section 416, then the Trustee shall accept such alternate or replacement Credit Facility and promptly surrender the previously held Credit Facility to the Credit Provider thereof for cancellation. If at any time there shall cease to be any Bonds Outstanding under the Indenture secured by any Credit Facility, the Trustee shall promptly surrender the Credit Facility to the Credit Provider thereof for cancellation. The Trustee shall comply with the procedures, if any, set forth in the Credit Facility or the Credit Agreement therefor relating to the termination of such Credit Facility. The Trustee shall give written notice of such acceptance to all holders of affected Bonds, by first-class mail, postage prepaid, addressed to the last known address of each holder as shown on the bond register maintained by the Trustee, within thirty (30) days following such acceptance.

(d) The City agrees to cooperate to the extent necessary with the Airline the Credit Provider and the Trustee in their defense of the Trust Estate against the claims and demands of any person, and will do, execute, acknowledge and deliver or cause to be done, such further acts, instruments and transfers as the Trustee or the Credit Provider may reasonably require for the better granting of the Trust Estate, including without limitation, execution and delivery of any financing statements and continuation statements.

Section 417. Creation And Use Of The Bond Purchase Fund.

(a) There is hereby created and ordered established with the Trustee a fund to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Bond Fund (Compagnie Nationale Air France Project)" (the "Bond Fund") as a separate fund not pledged for the payment of any Series of the Bonds, but held solely for the purpose of paying the Purchase Price of Bonds tendered for purchase on a Bond Purchase Date.

(b) Moneys in the Bond Purchase Fund shall be derived:

first -- from funds received from or on the direction of the Remarketing Agent from its sale of Bonds;

second -- from the proceeds of a draw on or other disbursement from any Credit Facility; and

third -- from payments by the Airline.

(c) Moneys held in the Bond Purchase Fund may be invested at the direction of the Airline in Investment Securities described in clauses (i) and (ii) of the definition thereof or otherwise rated not less than the then current rating on the Bonds that would enable the Trustee to pay any and all moneys in the Bond Purchase Fund by the end of the Business Day if presented with Tendered Bonds no later than [10:30 A.M.] New York City time on such Business Day or the next Business Day if presented after [10:30 A.M.] New York City time.

[One or more of the following defaults may be added to Section 801]:

(d) Failure to pay the Purchase Price of any Bond tendered for purchase in accordance with Section 919 hereof;

(e) Receipt by the Trustee of written notice from the Credit Provider within 10 days of a drawing on the Credit Facility that the amount available to pay interest on the Bonds is not being reinstated by the Credit Provider;

(f) Receipt by the Trustee of a notice from the Credit Provider stating that an Event of Default under the Credit Agreement has occurred and is continuing and that such notice is being delivered pursuant to this Section 801(f);

(g) An [Act of Bankruptcy] of the Credit Provider or if the Credit Facility becomes unavailable to the Trustee for any reason other than a wrongful dishonor by the Credit Provider of a draft on the Credit Facility by the Trustee; provided that no such occurrence shall constitute an Event of Default unless the Airline, within 60 days thereafter, shall fail to provide for an alternate or replacement Credit Facility meeting the requirements of this Indenture; and provided further that the declaration of an Event of Default under this subsection and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation, or reorganization proceedings; or

(h) Wrongful dishonor by the Credit Provider of a draft on or other request for payment under the Credit Facility by the Trustee which has not been cured within five (5) Business Days.

[Section 802 is to reflect that acceleration may be subject to the consent of the Credit Provider. Such provisions are usually negotiated with the Credit Provider, and the provisions herein are typical rather than definitive.]

[Section 803.]

(d) Obligations of Trustee to Draw Under Credit Facility. Following acceleration of the Bonds and before exercising any remedy under this Indenture or the Agreement, or any other remedy available to the Trustee, the Trustee shall draw or request payment under the Credit Facility. Unless the Credit Provider has wrongfully dishonored a draft drawn by the Trustee under the Credit Facility, the Trustee shall accept the direction of the Credit Provider with respect to any other right or remedy available to the Trustee or the Bondholders under the Indenture. Notwithstanding any provision in this Indenture to the contrary, if there occurs an Event of Default described in Section 801(g), (h) or (i) any consents required of the Credit Provider before the taking of any action by the Trustee shall no longer be required, (ii) any directions which the letter of Credit Bank may give to the Trustee pursuant to this Indenture shall not be binding on the Trustee and (iii) any consent required of the Credit Provider which does not also require the consent of the Trustee shall only require the consent of the Trustee.

(e) Subject always to the provisions of paragraph (d), and without limiting the mandatory obligations of the Trustee under paragraph (d) and Section 802 (including the requirement to obtain the consent of the Credit Provider to accelerate the Bonds) upon the occurrence and during the continuance of any Event of Default, the Trustee shall have the power to, but unless requested in writing by the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the Trust Estate under the Indenture by any acts which may be unlawful or in violation of the Indenture and such suits and proceedings as the Trustee may be advised by Counsel shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

[Section 805.]

(d) After the Bonds have been paid in full with a draw upon the Credit Facility, any remaining moneys shall be paid to the Credit Provider to the extent necessary to reimburse the Credit Provider pursuant to the Reimbursement Agreement.

Section 810. Trustee And City Required To Accept Actions And Directions Of Airline And The Credit Provider.

(a) Whenever after a reasonable request by the Airline or the Credit Provider, the City shall fail to direct or to require the Trustee to take any other action which the City is required or permitted to have the Trustee take pursuant to the Agreement or the Indenture, the Airline or the Credit Provider instead of the City may so direct or require the Trustee to take any such action, and the Trustee is hereby irrevocably empowered and directed to accept such direction from the Airline or the Credit Provider as sufficient for all purposes of the Indenture. The Airline or the Credit Provider shall have the direct right to cause the Trustee to comply with its obligations under this Indenture to the same extent that the City is empowered so to do.

(b) The City and Trustee acknowledge that certain actions or failures to act by the City under the Indenture may create or result in an Event of Default under the Indenture and the City hereby agrees that the Airline or the Credit Provider may perform (but shall not be required to perform) any and all acts or take such action as may be necessary for and on behalf of the City to prevent or correct said Event of Default and the Trustee agrees that it shall take or accept such performance by the Airline or the Credit Provider as performance by the City in such event.

Section 811. Credit Facility.

(a) In the event of a declaration of acceleration under Section 802 of this Indenture, the Trustee shall draw on the Credit Facility on the same day the declaration of acceleration is made in the amount equal to the lesser of the amount available under the Credit Facility or in an amount required in order to provide for the timely payment in full of the principal and interest on the Bonds due or to become due by reason of interest on the Bonds due or to become due by.reason of such acceleration and shall promptly take such actions and give such notice as may be required to pay or redeem the outstanding Bonds entitled to the benefits of such Credit Facility. By its terms a draw on the Credit Facility shall be honored no later than the Business Day after the date of the draw provided the draw is made in accordance with the time specified in the Credit Facility.

(b) Whether or not an Event of Default or a Default has occurred or is continuing, if the Trustee presents a draft under the Credit Facility for payment of principal of or interest on the Bonds but not for payment of the Purchase Price of Bonds which draft is honored by the Credit Provider and there are moneys in the Bond Fund, such moneys shall be paid to the Credit Provider for application against the obligations of the Airline under the Credit Agreement.

(c) If at any time during the term of the Credit Facility a successor Trustee shall be appointed and qualified under this Indenture and the Credit Facility is not transferable to the successor Trustee, the resigning Trustee shall request from the Credit Provider a substitute Credit Facility identical to the prior Credit Facility but addressed to and running in favor of the successor Trustee for the benefit of the holders of the available credit. If the resigning Trustee fails to make this request, the successor Trustee shall do so before accepting its appointment. Upon issuance of the substitute Credit Facility to the successor Trustee, the prior Credit Facility shall be returned and canceled.

Section 916. Remarketing Agent.

The Airline shall appoint the Remarketing Agent for the Bonds, subject to the conditions set forth in Section 917 hereof. The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City and the Trustee.

Section 917. Qualifications Of Successor Remarketing Agent.

(a) Any Successor Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., having a capitalization of at least $15,000,000 and authorized by law to perform all the duties imposed upon it by this Indenture and shall be acceptable to the Credit Provider, which shall not unreasonably withhold its consent. The Remarketing Agent may resign and be discharged of the duties and obligations created by this Indenture by giving at least thirty (30) days notice to the City, the Airline, the Credit

Provider, any rating agency then rating the Bonds, if any, and the Trustee. The initial Remarketing Agent may without consent of the other parties hereto, but upon thirty (30) days' notice to the City, the Airline, the Credit Provider, the Trustee, Moody's and the Tender Agent assign its rights, duties and obligations hereunder to [Smith Barney, Harris Upham & Co., Incorporated], upon which event [Smith Barney, Harris Upham & Co., Incorporated], shall become the Remarketing Agent hereunder with all rights, duties and obligations attached hereto. The Remarketing Agent may be removed by the Airline, by a certificate furnished to the City and the Trustee designating a successor Remarketing Agent, subject to the provisions of the Remarketing Agent, shall mail notice to each of the Registered Owners of the Bonds.

(b) In the event of the resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor or, if there be no successor, to the Trustee.

(c) If the Remarketing Agent shall resign, or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Airline shall not have appointed its successor as Remarketing Agent, the Trustee, notwithstanding the provisions of the first paragraph of this Section 917, shall ipso facto be deemed to be the Remarketing Agent for all purposes of this Indenture until the appointment by the Airline of the successor Remarketing Agent; provided that the Trustee, in its capacity as Remarketing Agent, shall not be required to remarket Bonds.

Section 918. Adjustment Of Interest Rate.

So long as any Series of Bonds bear interest in a Variable Interest Rate Mode and before conversion to the Fixed Interest Rate Mode, on each Interest Rate Determination Date, the Remarketing Agent shall determine the Interest Rate to be borne by such Bonds for the next succeeding Interest Period in accordance with Section 213 hereof. The Remarketing Agent shall communicate this rate telephonically or by facsimile on the Interest Rate Determination Date for such Bonds, with prompt written confirmation, to the Trustee, the Book-Entry Depository and the Airline. On the Business Day after the Trustee receives the Interest Rate on such Bonds, the Trustee shall notify the City, the Credit Provider and the Book-Entry Depository of the Interest Rate. Thereafter the Remarketing Agent and the Trustee shall provide the Interest Rate upon request.

Section 919. Purchases Of Bonds.

(a) Demand Purchase Option for Bonds in the Weekly Interest Rate Mode. Any Bond in the Weekly Interest Rate Mode (other than an Unremarketed Bond) shall be purchased, on the demand of the Holder thereof, on any Business Day selected by the Holder as hereinafter provided, at the Purchase Price of par plus accrued interest, only upon irrevocable written notice to the Remarketing Agent, received at its principal corporate office on a Business Day not later than seven (7) days before the specified purchase date (provided that if the seventh (7th) day succeeding the day the notice is received is not a Business Day, the purchase date may be set in said notice as the preceding Business Day). Such written notice shall (1) state the registration number and principal amount (or portion thereof) of such Bond to be purchased; (2) state the purchase date on which such Bond shall be purchased pursuant to this Section 919(a) and (3) irrevocably request such purchase. Any Bond to be so purchased must be delivered to the Tender Agent (with an appropriate transfer of registration executed in blank in form satisfactory to the Tender Agent and, if the holder desires payment of the Purchase Price by wire transfer, the wire transfer instructions on or before [10:30 A.M.] New York City time on the Purchase Date in order to receive same day payment of the Purchase Price. Any Bond not so delivered shall nevertheless be deemed purchased as provided below. Bonds may be required to be purchased pursuant to such notice in any Authorized Denomination, and Bonds of denominations in excess of the minimum Authorized Denomination may be so required to be purchased in part, provided, that no Bond may be so required to be purchased in part if such partial purchase would result in the principal amount of any Bond being outstanding in other than an Authorized Denomination. The Remarketing Agent shall promptly, but in no event later than [12:00 Noon] on the Business Day following the day such notice was received, provide the Trustee with facsimile notice of the receipt of the notice referred to in the preceding paragraph.

(b) Mandatory Purchase of Bonds under Certain Circumstances. On and before the Fixed Rate Conversion Date applicable to, Bonds of any Series which bear interest in a Variable Rate Interest Mode, all of such Bonds, other than Unremarketed Bonds, are subject to mandatory purchase on any of the following Mandatory Purchase Dates:

(1) On the fifth day before the stated Credit Facility Termination Date (other than any expiration date resulting solely from the conversion of such Bonds to a Fixed Interest Rate and any expiration date when an alternate or replacement Credit Facility has been approved pursuant to Section 416 hereof and has become effective), or if such day is not a Business Day, the next preceding Business Day;

(2) On any Conversion Date with respect to such Bonds;

(3) On the fifth Business Day following receipt by the Trustee of a notice from the Credit Provider for such Bonds that an event of default under and as defined in the Credit Agreement of such Credit Provider has occurred and directing the Trustee to give notice of the mandatory purchase of all such Bonds; or

(4) On the fifth day before the applicable Credit Facility Termination Date when an alternate or replacement Credit Facility has been provided pursuant to Section 416 hereof and has become effective, or, if such day is not a Business Day, on the next preceding Business Day.

Notice of mandatory purchase pursuant to clause (1) or (4) of this Section 919(b) shall be mailed by the Trustee, not less than fifteen (15) days before the Mandatory Purchase Date. Notice of mandatory purchase pursuant to clause (3) of this Section 919(b) shall be communicated by the Trustee on the first Business Day after receipt by the Trustee from such Credit Provider of the notice described therein. In each case notice shall be mailed or otherwise communicated to the respective Owners of the affected Bonds at their addresses as maintained on the registration books. Each notice of mandatory purchase shall state the Mandatory Purchase Date and the place of Mandatory Purchase (which shall be the principal corporate office of the Tender Agent) and, with respect to mandatory purchases pursuant to clause (4) of this Section 919(b), that the holders may waive purchase upon filing of the instrument specified in paragraph (d) below. If the notice is given pursuant to clause (4) of this Section 919(b), the notice shall also describe the alternate or replacement Credit Facility and that the ratings assigned to the Bonds may be changed or withdrawn as a result of the substitution of the alternate or replacement Credit Facility. Each such notice or communication shall also state that on said date there will become due and payable on said Bonds the Purchase Price and that from and after the mandatory Purchase Date, in the absence of the receipt of a valid Notice of Waiver of Purchase to paragraph (c) below (in the case of clause (4) above), interest thereon shall cease to accrue to the prior holder of the Bond to be purchased, and shall require such Bonds be then surrendered and shall state that, if not so surrendered, the Bonds will be deemed purchased in accordance with paragraph (e) below.

The owner of each such Bond, by its purchase and acceptance of such Bond, irrevocably appoints the Tender Agent as its duly authorized attorney-in-fact for the purposes of assignment, endorsement, certification, execution or acknowledgment that the owner is holding such Bond for the benefit of the purchaser or purchasers, registration of transfers and delivery of Bonds in the event of a mandatory purchase of such Bonds. The Tender Agent's power of attorney is coupled with an interest.

In the event of any purchase, any Undelivered Bond shall no longer evidence the debt of the City, and the holder thereof shall be entitled only to payment of the Purchase Price for the Undelivered Bond upon delivery thereof from the funds held in the Bond Purchase Fund maintained by the Trustee.

(c) Waiver of Purchase. Any Owner may waive a purchase of a Bond on a Mandatory Purchase Date established or determined pursuant to clause (4) of Section 919(b), by delivery to the principal corporate office of the Remarketing Agent not later than the fifth day preceding such Mandatory Purchase Date, a written Notice of Waiver of Purchase of such Owner (1) directing that such Bond (or a portion thereof in any Authorized Denomination) not be purchased on such Mandatory Purchase Date, (2) agreeing not to sell such Bond before such Mandatory Purchase Date, (3) when applicable, agreeing not to exercise any tender option available to such Bond before such Mandatory Purchase Date, (4) acknowledging that such waiver is irrevocable, and (5) acknowledging that the rating assigned to the Bonds may be changed or withdrawn as a result of such change. Notwithstanding the foregoing, no waiver for any Mandatory Purchase Date occurring after the redemption date may be made with respect to any Bond that has been called for redemption.

(d) Remarketing of Unremarketed Bonds. Unremarketed Bonds may be remarketed in any Authorized Denomination at any time, provided that Bonds may only be remarketed as Bonds in the Interest Rate Mode then in effect for such Series of Bonds and provided that Unremarketed Bonds will not be released for remarketing until the Credit Facility has been reinstated (if the Credit Facility is still in effect) with respect to such Unremarketed Bonds.

(e) Undelivered Bonds. Any Bonds with respect to which the Holder has given a notice of purchase to the Tender Agent as specified in Section 919(a) or which are required to be tendered for a purchase on a Mandatory Purchase Date to the Tender Agent that are not delivered on the Purchase Date, and for the payment of which there has been irrevocably deposited in trust in the Bond Purchase Fund an amount of money sufficient to pay the Purchase Price and any interest owing on the Purchase Date with respect to that Bond shall be deemed to have been purchased pursuant to this Section, and shall be Undelivered Bonds. In the event of a failure by a Bondholder (other than a Bondholder who has given a valid and effective Notice of Waiver of Purchase as provided herein) to tender its Bonds on or before the required date, said holder of such Undelivered Bonds shall not be entitled to any payment other than the Purchase Price and any unpaid interest due on the Purchase Date and Undelivered Bonds in the hands of such non-delivering holder shall no longer accrue interest or be entitled to the benefits of this Indenture, except for the payment of the Purchase Price and any unpaid interest due on the Purchase Date; provided, however, that the indebtedness represented by such Bonds shall not be extinguished, and the Tender Agent shall transfer, authenticate and deliver such Bonds as provided below. The Tender Agent shall give telephonic or facsimile notice to the Trustee, promptly confirmed by mail, of all Undelivered Bonds. With the respect to any Undelivered Bond, the Tender Agent, acting hereunder and pursuant to the power of attorney granted by such Bondholder herein, shall do the following:

(1) Assign and register the transfer of such Bond to the purchaser or purchasers thereof;

(2) Authenticate and deliver a new Bond or Bonds, as appropriate, to the purchaser or purchasers thereof including the Airline, if appropriate;

(3) Execute and deliver to the Trustee an acknowledgement that the holder of Undelivered Bonds holds such Undelivered Bonds for the benefit of the new purchaser or purchasers thereof, who shall be identified in such acknowledgement;

(4) Promptly notify by first class mail the holder of such Undelivered Bond that:

(i) the Tender Agent has acted pursuant to such power of attorney to transfer the Undelivered Bond and to perform the other acts set forth in this Section;

(ii) the Undelivered Bond is no longer Outstanding; and

(iii) funds equal to the applicable Purchase Price plus any unpaid interest due on the Purchase Date of such Bond are being held on behalf of such holder pending presentation of the Undelivered Bond, without interest, in the Bond Purchase Fund established for such purpose by the Trustee;

(5) Notify the Trustee for entry on the Bond Register that the Undelivered Bond is no longer Outstanding;

(6) By Noon, on any Business Day on which an Undelivered Bond is presented to the Tender Agent, requisition the Trustee for the amounts necessary to pay the Purchase Price including, as to Bonds in the Weekly Interest Rate Mode, any unpaid interest due on the Purchase Date to such holder tendering such certificate. Bonds presented on or before 10:30 A.M., New York City time on any Business Day are to be paid on or before the close of business on that day. Bonds presented after 10:30 A.M. are to be paid on the next succeeding Business Day;

(7) The Tender Agent shall pay the Purchase Price to the tendering bondholder by wire transfer if wire transfer instructions have been received or by check or draft or by such other means satisfactory to the Tender Agent and such holder.

By or before the close of business the Trustee shall pay the Purchase Price to the Tender Agent by wire transfer from money in the Bond Purchase Fund.

Prior holders of Bonds purchased or deemed purchased pursuant to this Section 919 shall not be entitled to interest thereon which accrues on and after the related Purchase Date, provided moneys are on hand in the Bond Purchase Fund to pay the Purchase Price and any unpaid interest due on the Purchase Date.

(g) Purchase of Tendered Bonds. On any Purchase Date (all times New York time):

(1) By or before [10:30 A.M.] the Remarketing Agent shall give facsimile notice to the Trustee, of the principal amount of Bonds of any Series subject to purchase on the Purchase Date which have not been remarketed by the Remarketing Agent at the time of notice.

(2) By [12:00 Noon] the Trustee, shall submit to the Credit Provider at the place specified in the Credit Facility appropriate documentation for a drawing or drawings under the Credit Facility in the amount equal to the Purchase Price of the Bonds required to be purchased on such Purchase Date which were not remarketed by the Remarketing Agent at the time of the notice provided pursuant to paragraph (1) above.

(3) By or before [10:30 A.M.] the Remarketing Agent shall notify the Tender Agent of the names, addresses, and delivery instructions for the purchaser of remarketed Bonds and the principal denominations of such Bonds.

(4) By or before [2:30 P.M.] the Credit Provider shall pay by wire transfer in immediately available funds the amount of the drawings properly made on such date to the Trustee for deposit in the Bond Purchase Fund.

(5) By or before [11:30 A.M.] the Remarketing Agent shall pay or cause to be paid by wire transfer of immediately available funds the purchase price of remarketed Bonds to the Tender Agent for payment to the tendering Bondholder as described below. Such payment for such remarketed Bonds will be effected by a delivery versus payment transaction between the purchaser and the Tender Agent.

(6) By or before [1:30 P.M.] the Tender Agent shall wire transfer the Purchase Price of remarketed Bonds which have not been tendered to the Trustee for deposit into the Bond Purchase Fund.

(7) In the case of Bonds not being settled by book-entry through Book-Entry Depository by or before Noon, the Tender Agent shall notify the Trustee of all tendered Bonds which have been delivered to the Tender Agent for purchase on such Purchase Date.

(8) Bonds purchased by the Tender Agent with proceeds of a draft drawn under the Credit Facility and not remarketed by the Remarketing Agent shall be owned by the Airline and be held by the Trustee in pledge for the benefit of the Credit Provider. For Bonds not remarketed but which have been tendered with the Tender Agent, (i) in the case of delivery via the Book-Entry Depository, the Tender Agent shall cause to be delivered such Bonds versus payment to the Trustee (or agent of the Credit Provider) such Bonds to be held in pledge hereunder, or (ii) in the case of physical delivery, the Tender Agent shall cancel the purchased certificates and immediately advise the Trustee of such act, upon which the Trustee shall authenticate and register the Bonds, such unremarketed Bonds to be registered by the Trustee in the name of the Credit Provider or its designee as Pledgee by the close of business that day.

(9) By or before the close of business the Tender Agent shall deliver such Bonds to the purchasers in accordance with the direction of the Remarketing Agent or such purchasers.

(10) By or before the close of business the Trustee shall pay the Purchase Price to the Tender Agent by wire transfer from money in the Bond Purchase Fund.

(11) The Tender Agent shall pay the Purchase Price to the tendering Bondholder by wire transfer if wire transfer instructions have been received or by check or draft or by such other means satisfactory to the Tender Agent and such holder.

(h) Unremarketed Bonds. On the date of the remarketing of any Unremarketed Bonds:

(1) By or before [10:30 A.M.] the Remarketing Agent shall notify the Trustee of the names, addresses, and delivery instructions for the purchasers of Unremarketed Bonds and the principal denominations of such Bonds.

(2) By or before [11:30 A.M.] the Remarketing Agent shall pay or cause to be paid by wire transfer of immediately available funds the purchase price of remarketed Unremarketed Bonds to the Trustee for deposit in the Bond Purchase Fund. In the case of book-entry settlement via the Book-Entry Depository, such payment for remarketed Unremarketed Bonds will be effected by a delivery versus payment transaction between the purchaser and the Trustee.

(3) The Trustee shall wire transfer such purchase price of remarketed Unremarketed Bonds to the Credit Provider to the extent the Credit Provider has not been reimbursed for the draw on the Credit Facility used to purchase such Unremarketed Bonds. Any remaining moneys after the Credit Provider has been reimbursed in full with respect to such remarketed Unremarketed Bonds shall be paid to the Airline.

If the Unremarketed Bonds are remarketed at less than par the Airline shall wire to the Trustee by [11:00 A.M.], Chicago, Illinois time, any moneys necessary to fully reinstate the Credit Facility upon the remarketing of such Unremarketed Bonds. The Trustee shall not register remarketed Bonds to the new bondholders unless it has been notified by the Credit Provider that the Credit Facility has been reinstated as to such Bonds.

Payment of the Purchase Price for Bonds tendered for purchase or deemed tendered for mandatory purchase shall be made on the relevant Bond Purchase Date as applicable only with the funds in the Bond Purchase Fund in the order described in Section 417; provided that upon receiving direction from the Credit Provider to purchase bonds pursuant to clause (3) of Section 819(b) hereof, the Trustee shall draw upon the Credit Facility and use such proceeds to purchase Bonds.

Bonds remarketed by the Remarketing Agent shall be delivered to the purchasers thereof. In each case the Tender Agent shall authenticate the Bonds delivered to the purchasers thereof.

The Remarketing Agent may, but is not obligated to, acquire for its own account any Bonds delivered to the Tender Agent but not resold. The Remarketing Agent may sell and/or purchase any Bonds for its own account at any time.

Section 920. Remarketing And Sale Of Bonds.

(a) Except as otherwise provided in the Remarketing Agreement, and with respect to all Unremarketed Bonds and all Bonds subject to purchase on a Bond Purchase Date other than Bonds subject to Mandatory Purchase pursuant to Section 919 which are not to be remarketed unless and until, in the case of any Mandatory Purchase Date arising pursuant to Section 919(b)(1) an alternate or replacement Credit Facility has become effective, or in the case of Section 919(b)(3) the Credit Provider has reinstated the Credit Facility, the Remarketing Agent shall offer for sale and use its best efforts to sell all such Bonds at a price equal to the principal amount thereof plus accrued interest, if any, and with an interest rate determined as provided in Section 212; provided that the Unremarketed Bonds may be remarketed at prices other than par, but no Unremarketed Bond shall be remarketed unless the Credit Facility has been or, upon receipt of remarketing proceeds, will be reinstated to the amount equal to the principal amount of all outstanding Bonds (other than Bonds remaining as Unremarketed Bonds) and [ ] days interest at the rate of [ ]% per annum. The Remarketing Agent shall promptly notify the Airline, the Tender Agent and the Trustee by telephone, confirmed in writing, of the remarketing of Unremarketed Bonds.

(b) The Trustee shall notify the Remarketing Agent promptly of any Event of Default and the Remarketing Agent may rely upon such notice absent manifest error in it. Any Bond purchased pursuant to Section 819 hereof during the period following notice of Conversion pursuant to Section 214 hereof or a notice of redemption pursuant to Section 602 hereof shall not be remarketed except to a purchaser who has acknowledged receipt of a form of notice of conversion or notice of redemption to the same effect as the notice to be given Bondholders pursuant to Section 214 hereof or Section 602 hereof, as the case may be.

(c) The proceeds of sale of any Bonds (other than Unremarketed Bonds) sold by the Remarketing Agent pursuant to Section 919(f) hereof shall be transferred by or at the direction of the Remarketing Agent by wire transfer in immediately available funds to the Trustee, for application in accordance with this Indenture. The proceeds of the remarketing of Unremarketed Bonds shall be transferred by or at the direction of the Remarketing Agent to the Credit Provider in immediately available funds on the date of remarketing in the manner as shall be specified by the Bank to the Remarketing Agent.

Anything in this Indenture to the contrary notwithstanding, there shall be no remarketing of Bonds which have been tendered or deemed tendered for purchase to this Article IX if there shall have occurred and be continuing an event of default under the Indenture.

Section 921. Tender Agent.

(a) The Tender Agent shall:

(1) hold all Bonds delivered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective Bondholders who have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to or for the account of or to the order of such Bondholders;

(2) hold all moneys delivered to it hereunder for the purchase of Bonds as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys, without liability for interest thereon, until the Bonds purchased with such moneys shall have been

delivered to or for the account of such person or entity or such moneys have been returned to the Trustee pursuant to Section 919(f)(5) hereof. All moneys received by the Tender Agent pursuant to this Indenture shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, shall be segregated from other funds and shall remain uninvested until applied for the purpose for which they are held by the Tender Agent.

(b) The Tender Agent may act upon any instrument or other writing believed by it in good faith to be genuine and to have been signed or presented by the proper person and shall not be liable to any person in connection with the performance of its duties hereunder, except for its own willful misconduct, negligence or bad faith. The Tender Agent's duties shall be determined only with reference to this Indenture or the Tender Agency Agreement dated as of even date herewith and applicable laws and no implied covenants or obligations shall be read into this Indenture against the Tender Agent. If in doubt as to its duties and responsibilities hereunder, the Tender Agent may consult with counsel of its choice and shall be protected in any action taken or omitted in connection with such duties and responsibilities upon the advice or opinion of such counsel, except as provided above with respect to its own willful misconduct, negligence or bad faith.

(c) The Tender Agent may at any time resign and be discharged of the duties and obligations created hereunder by giving at least 60 days written notice to the Airline, the Trustee, the Remarketing Agent, the Credit Provider, the Rating Agency then rating the Bonds and the City, specifying the date upon which such termination shall take effect. The Tender Agent may be removed at any time by the Airline by a written instrument filed with the Airline, the Trustee, the Remarketing Agent, the Credit Provider and the City. Upon the resignation or removal of the Tender Agent, the Tender Agent shall promptly pay over, deliver and assign any moneys and Bonds held by it in such capacity to its successor, or, if there is no such successor, to the Trustee.

(d) The Tender Agent consents and agrees to perform such duties and only such duties as are specifically set forth in this Indenture and the Tender Agency Agreement; provided that the Tender Agent shall use reasonable care in the custody and preservation of Bonds in its physical possession. The Tender Agent shall not be liable for loss, theft, damage or destruction of Bonds in the course of delivery, acceptance or transmission except when such Bonds are in the Tender Agent's physical possession. The Tender Agent shall not be liable for any negligence, default or insolvency of any agent or subagent of the Tender Agent. None of the provisions contained in this Indenture and the Tender Agency Agreement shall require the Tender Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any duties or in the exercise of any rights or powers hereunder or to take any actions not specifically set forth in this Agreement unless it shall have received reasonable security or indemnity against the costs, expenses and liabilities which would be incurred by its taking of such action.

(e) The Tender Agent may, in the course of performing its duties hereunder, make reasonable use of the United States Postal Service, insured and bonded private courier services and securities and funds processing, delivery and communication services and facilities provided by the Board of Governors of the Federal Reserve System, the Book-Entry Depository, the National Securities Clearing Corporation and other clearing agencies, as defined in the Securities Exchange Act of 1934, as amended. In addition, the Tender Agent may perform any duties hereunder either directly or through agents or attorneys.

(f) The Tender Agent and its officers, directors and employees may acquire and hold, or become the pledgee of, the Bonds and otherwise deal with the Airline in the same manner and to the same extent and with like effect as though it were not the Tender Agent hereunder.

(g) If any dispute shall arise with respect to the delivery, ownership, right of possession and/or disposition of Bonds delivered to the Tender Agent hereunder or should any bona fide claim be made thereon by a third party, the Tender Agent, upon receipt of written notice of such dispute by the Airline or by a third party, is authorized and directed to retain possession of all or any such Bonds and/or proceeds until such dispute shall have been settled either by mutual agreement of the parties involved or by final order, decree or judgment of any court in the United States.

(h) The recitals contained herein and in the Bonds shall be taken as the statements of the Airline, and the Tender Agent assumes no responsibility for their accuracy or correctness. The Tender Agent makes no representations or warranties as to the validity or sufficiency of the Bonds or the Indenture and shall not have any liability under the terms and provisions of any other agreement other than this Indenture or the Tender Agency Agreement. The Tender Agent shall not be accountable for the use or application by the Airline of the Bonds or the proceeds thereof, or for the use of application of any moneys paid over by the Tender Agent to a Bondholder in accordance with any provisions of this Indenture or the Agreement. The Tender Agent's duties hereunder are ministerial in nature and payments to the Bondholders shall only be made if and to the extent that funds are made available under this Indenture.

(i) The Tender Agent may execute any of its power or responsibilities hereunder and exercise any rights hereunder either directly or by or through its agents or attorneys. Nothing in this Indenture or the Tender Agency Agreement shall be deemed to impose upon the Tender Agent any duty to qualify to do business or to act as fiduciary or otherwise in any jurisdiction other than the State of New York.

Special Facility Use Agreement
(Cargo Facility)

Dated As Of October 1, 1990

By And Between

City Of Chicago

And

Lufthansa German Airlines.

The rights of the City of Chicago and the amounts payable to the City under this Special Facility Use Agreement (except the City's Unassigned Rights as defined in the Indenture of Trust hereinafter described and amounts payable to the City in respect thereof) have been pledged and assigned to Independence Bank of Chicago and the First National Bank of Chicago, as Co-Trustees under the Indenture of Trust dated as of October 1, 1990, from the City to said Co-Trustees, securing the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project).

This Special Facility Use Agreement, dated as of October 1, 1990, 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 Deutsche Lufthansa Aktiengesellschaft, operating in the United States under the name "Lufthansa German Airlines", a corporation organized and existing under the laws of the Federal Republic of Germany (the "Airline").

Witnesseth:

Whereas, The City owns and operates the Airport (defined in the Indenture hereinafter described) 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 the holder of a foreign air carrier permit duly issued under the Federal Aviation Act of 1958, as amended, authorizing it to operate in foreign air transportation to and from the City of Chicago and so operates at the Airport; and

Whereas, The City is in the process of implementing a major redevelopment of the Airport; and

Whereas, In relation to such redevelopment the City and the Airline now desire to provide for the payment of the costs of certain improvements constituting a cargo facility and certain at the Airport (the "Project"), as more fully described in Exhibit A hereto, which have been provided by the City or are to be designed, constructed and installed by the Airline on behalf of the City and are to be leased, used and occupied by the Airline pursuant to the Site Lease; and

Whereas, By ordinance adopted by the governing body of the City in the exercise by the City of its powers as a home rule unit of local government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, the City has authorized and undertaken to issue its Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project) in one or more Series (the "Bonds"), under and pursuant to the provisions of, and to be secured by, an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project) dated as of October 1, 1990 (as it may be supplemented or amended, the "Indenture") from the City to Independence Bank of Chicago and the First National Bank of Chicago as Co-Trustees (as more fully hereinafter defined, collectively the "Trustee") for the purpose of financing part or all of the costs of the Project and, if hereafter deemed necessary or desirable by the City and the Airline and as authorized by amendment of or supplement to such ordinance, further improvements and other accessions thereto ("Additions"), including without limitation costs and expenses incidental to the Project and any Additions and to the issuance of each Series of the Bonds; and

Whereas, The City and the Airline have entered into a Cargo Building Site Lease dated as of [October 1], 1990, (as it may be amended, the "Site Lease") relating to the design, construction, installation, lease, use and occupancy of the Project; and

Whereas, The Airline has agreed under this Agreement to make payments hereunder sufficient to pay when due (whether at stated maturity, upon redemption, by acceleration or otherwise) the principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Bonds; and

Whereas, The Airline has further agreed under this Agreement to make payments hereunder sufficient to pay when due the purchase price of any Bonds tendered by the holders thereof for purchase (whether optionally at the election of such holders or mandatorily) pursuant to the provisions of the Indenture permitting or requiring such tender, if any;

Now, Therefore, In consideration of the respective representations and agreements herein contained, the parties hereto agree as follows:

Article I.

Definitions.

All terms used herein that are defined in the Indenture shall have the same meanings assigned them in the Indenture unless otherwise defined herein or unless the context otherwise requires.

Article II.

Representations.

Section 2.1. Representations And Covenants By The City.

The City makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The City is a municipal corporation and home rule unit of local government, duly organized and existing under the laws of the State.

(b) The City is duly authorized and empowered by the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State to enter into the transactions contemplated by this Agreement, the Site Lease and the Indenture and to carry out its obligations hereunder and thereunder, including the issuance and sale of the Bonds. By enactment of the Authorizing Ordinance of its Governing Body, the City has been duly authorized to execute and deliver this Agreement, the Site Lease, the Indenture and the Tax Documents to which it is a party, and to issue and sell the Bonds.

(c) To provide for the financing of all or a portion of the costs of the Project and, if hereafter deemed necessary or desirable by the City and the Airline and as authorized by amendment of or supplement to the Authorizing Ordinance, Additions thereto, including without limitation costs and expenses incidental to the Project and any Additions and to the issuance of each Series of the Bonds, the City intends to issue its Bonds in one or more Series on the terms and conditions specified in Article II of the Indenture.

(d) The Bonds are to be issued under and secured by the Indenture, pursuant to which certain of the City's interests in this Agreement and the Special Facility Revenues derived by the City pursuant to this Agreement (except Unassigned Rights and amounts derived by the City in respect thereof) will be pledged and assigned to the Trustee as security for payment of the principal of and interest and redemption premium, if any, on the Bonds.

(e) Neither the execution and delivery of this Agreement, the Site Lease and the Indenture, the issuance and sale of the Bonds, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Site Lease, the Indenture or the Bonds conflicts with or results in a material breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) The City has not assigned and will not assign any interest in this Agreement other than pursuant to the Indenture to secure the Bonds.

(g) In reliance on the representation of the Airline in Section 2.2(c) hereof, when duly executed by the authorized officers of the City and the Airline, this Agreement and the Site Lease will each constitute a valid, binding and enforceable obligation of the City, subject as to enforceability, to applicable bankruptcy, moratorium, reorganization and other similar laws affecting creditors' rights generally and to applicable principles of equity (regardless whether such enforcement is sought in a proceeding in equity or at law).

(h) To the best knowledge of the City, no person holding office with the City, either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in any contract or the performance of any work, or has represented, either as agent or otherwise, any person, association, trust or corporation, with respect to any application or bid for, any of the contract of purchase with respect to the Series 1990 Bonds, the Indenture, the Site Lease or this Agreement, or any other document in connection with the foregoing upon which such officer may be called upon to act or vote.

(i) The City confirms its representations and covenants in Section 503 of the Indenture and in the Tax Documents, which relate, without limiting the foregoing, to the exemption of interest on the Bonds from inclusion in the gross income of Bondholders for federal income tax purposes.

(j) The City has duly granted the Airline, the Project and the Bonds an allocation of [Equipment Bond Amount] (1) with respect to obligations described in Section 1317(5)(B) of the Tax Reform Act of 1986 (P.L. 99-514), and (2) with respect to the volume cap applicable to certain private activity bonds as described in Section 146 of the Code.

Section 2.2. Representation By The Airline.

The Airline makes the following representation as the basis for the undertakings on its part herein contained:

(a) The Airline is a corporation duly incorporated and in good standing under the laws of the Federal Republic of Germany, is the holder of a foreign air carrier permit duly issued under the Federal Aviation Act of 1958, as amended, authorizing it to operate in foreign air transportation to and from the City of Chicago, has the power to enter into this Agreement and the Site Lease and by proper action has authorized the execution and delivery of this Agreement and the Site Lease.

(b) Neither the execution and delivery of this Agreement and the Site Lease, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement and the Site Lease, will result in a material breach of or will constitute a default under any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Airline is now a party or by which it or any of its property is bound, or will constitute a default under any of the foregoing, or will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Airline prohibited under the terms of any instrument or agreement.

(c) In reliance on the representation of the City in Section 2.1(g) hereof, when executed by the authorized officers of the City and the Airline, this Agreement and the Site Lease will each constitute a valid, binding and enforceable obligation of the Airline, subject, as to enforceability, to applicable bankruptcy, moratorium, reorganization and other similar laws affecting creditors' rights generally and to applicable principles of equity (regardless whether such enforcement is sought in a proceeding in equity or at law).

(d) The Project is to be located at the Airport, wholly within the boundaries of the Demised Premises (as defined in the Site Lease), except for parts of the fuel hydrant system and certain improvements by the City common to the Demised Premises and other nearby facilities.

(e) To the best knowledge of the Airline, no person holding office with the City, either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in any contract or the performance of any work, or has represented, either as agent or otherwise, any person, association, trust or corporation, with respect to any application or bid for, any of the contract of purchase with respect to the Series 1990 Bonds, the Indenture, the Site Lease or this Agreement, or any other document in connection with the foregoing upon which such officer may be called upon to act or vote.

(f) The Project consists and will consist of the capital improvements described in Exhibit A attached hereto and incorporated herein by this reference and no changes shall be made in the Project except as permitted by Section 3.1 hereof.

(g) The Airline has acquired or will acquire the use of the Project or portions thereof sufficient for its purposes.

(h) The Airline confirms its representations and covenants in Articles IV and XV of the Site Lease, which relate, without limiting the foregoing, to nondiscrimination and affirmative action in its use of the Demised Premises, in the construction of the Project, or in furnishing any of its services as a foreign air carrier.

Article III.

Acquisition And Completion Of The Project;
Issuance Of The Bonds.

Section 3.1. Agreement To Acquire.

(a) The Airline agrees to cause the Project to be designed, constructed and installed, such design, construction and installation to be in accordance with Exhibit A attached hereto, the Site Lease and Exhibits C and D attached thereto and the Plans and Specifications. If there is any supplement or amendment to the description of the Project in accordance with Exhibit C to the Site Lease or otherwise, the Commissioner and the Airline shall amend Exhibit A to this Agreement to reflect such supplement or amendment, which supplement or amendment shall not be considered as an amendment to this Agreement for the purposes of Article XI of the Indenture.

(b) Nothing contained in this Section or in Exhibit A hereto shall (i) relieve the Airline from making the payments required to be paid pursuant to Article IV hereof, or (ii) permit the Airline to make any supplements or amendments to the description of the Project or the Plans and Specifications (including additions thereto or deletions therefrom) if such supplement or amendment would result in less than 95% of the proceeds of the Bonds being used to provide Qualified Airport Facilities.

Section 3.2. Agreement To Issue Bonds; Application Of Bond Proceeds.

(a) In order to provide for the financing of the Costs of the Project and any Additions, the City intends to sell and cause to be delivered to the purchasers thereof, against payment therefor, Bonds in an initial Series in the aggregate principal amount of [Initial Bond Amount] and, if hereafter deemed necessary or desirable by the City and the Airline and as authorized by amendment of or supplement to such ordinance, one or more additional Series of Bonds on the terms and conditions specified in the Indenture.

(b) Upon receipt of the proceeds from the sale of the Bonds (less any underwriters' discount and original issue discount), the City agrees to deposit such proceeds in the Construction Fund and the accounts and sub-accounts therein, the Debt Service Reserve Fund, the Bond Fund and any other applicable Fund, as provided in the Indenture.

Section 3.3. Disbursements From The Construction Fund.

(a) The City has authorized and directed the Trustee to disburse the moneys in the Construction Account of the Construction Fund to or at the direction of the Airline for the purpose of paying part or all of the Costs of the Project and any Additions.

(b) The Airline agrees that it will direct the Trustee to disburse moneys in the Construction Account of the Construction Fund to reimburse the City for expenditures relating to any items constituting part of the Costs of the Project and any Additions incurred by the City, whether before or after the date of issuance of any Series of Bonds.

(c) The Airline shall have the right to direct that all moneys remaining in the Construction Account of the Construction Fund (or any sub-account thereof) after the Completion Date of the Project or any Additions whose Costs are payable therefrom and after payment or provision for payment of all other items included in Costs of the Project or such Additions, all as the case may be, shall be used in accordance with Section 305 of the Indenture.

Section 3.4. Certificate Of Completion; Obligation Of Airline To Complete.

(a) The Airline agrees to notify the City and the Trustee promptly of the completion of the Project and of any Additions. Each Completion Date shall be evidenced to the Trustee and the City by a certificate signed by the Authorized Airline Representative setting forth the Cost of the Project or such Additions and stating:

(i) that construction of the Project or such Additions has been completed substantially in accordance with the Plans and Specifications applicable thereto and work orders therefor and all labor, services, materials and supplies used in such construction for which payment is due have been paid for, and the date of such completion;

(ii) that all other facilities necessary in connection with the Project or such Additions have been constructed, acquired and installed in accordance with the Plans and Specifications applicable thereto and work orders therefor and all Costs incurred in connection therewith (other than Costs for which the Airline has withheld payment or for which payment is not yet due) have been paid; and

(iii) that at least 95% of the Aggregate Cost of the Project or such Additions, after taking into account amounts theretofore paid or reimbursed from the Construction Fund and amounts, if any, to be paid or reimbursed from the Construction Fund after the date of such certificate, is a Qualified Cost of Construction.

Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being. It shall be the duty of the Airline to cause such certificate to be furnished to the Trustee and the City within a reasonable time after the Project or any Additions shall have been completed.

(b) If, after taking into account the proceeds of all Bonds issued or authorized to be issued therefor, the aggregate amount of moneys in the

Construction Account in the Construction Fund (or the applicable sub-account therein) available for payment of the Costs of the Project or any Additions should not be sufficient to pay the costs thereof in full, the Airline agrees to pay directly, or to deposit in the Construction Fund moneys sufficient to pay, the costs of completing the Project or such Additions as may be in excess of the aggregate amount of moneys available therefor in the Construction Fund (or the applicable sub-account therein). The City does not make any warranty, either express or implied, that the moneys that will be paid into the Construction Fund and that, under the provisions of this Agreement or otherwise, will be available for payment of the Costs of the Project or such Additions, will be sufficient to pay all the costs that will be incurred in that connection. The Airline agrees that if after exhaustion of the moneys in the Construction Fund the Airline should so pay, or deposit moneys in the Construction Fund for the payment of, any portion of the said Costs of the Project or such Additions pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the City or from the Trustee or from the owners of any of the Bonds, nor shall it be entitled to any diminution of the amounts payable under Section 4.2 hereof.

Section 3.5. Authorized Airline Representative.

Before or concurrently with the sale of the Bonds and from time to time thereafter the Airline shall appoint a person as an Authorized Airline Representative for the purpose of taking all actions and making all certificates required to be taken and made by the Authorized Airline Representative under the provisions of this Agreement, and shall appoint one or more alternate Authorized Airline Representatives to take any such action or make any such certificate if the same is not taken or made by the person serving as the Authorized Airline Representative. If at any time no person is serving as the Authorized Airline Representative, the chief financial officer of the Airline in the United States shall be deemed to be the Authorized Airline Representative. Whenever under the provisions of this Agreement the approval of the Airline is required or the City is required to take some action at the request of the Airline, such approval or such request shall be made by the Authorized Airline Representative unless otherwise specified in this Agreement, and the City or the Trustee shall be authorized to act on any such approval or request and the Airline shall have no complaint against the City or the Trustee as a result of any such action taken.

Section 3.6. Investment Of Construction Fund And Bond Fund Moneys Permitted.

(a) As and to the extent provided in Section 501 of the Indenture, an Authorized Airline Representative may direct, which direction may be oral but shall be confirmed in writing, that any moneys held as a part of any of the Funds under the Indenture, other than the Rebate Fund, shall be invested or reinvested by the Trustee in Investment Securities as specified from time to time in such direction. The Airline shall not direct the Trustee to make any investments or reinvestment other than those permitted by law. In making any such investments, the Trustee may rely on directions delivered to it pursuant to this Section by an Authorized Airline Representative or, in the case of oral directions, by a person representing himself to be an Authorized Airline Representative, and the Trustee shall be relieved of all liability with respect to making such investments in accordance with such directions.

(b) The Airline is hereby granted the right to purchase for cash investments on deposit in the Construction Fund at the prices and in the manner set forth in Section 501 of the Indenture. For the purposes of this Section, any interest-bearing deposits, including certificates of deposit, issued by or on deposit with the Trustee shall be deemed to be investments and not deposits.

Section 3.7. Tax Covenants.

(a) The Airline covenants not to take any action, or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, would cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes, other than a holder who is a "substantial user" or "related person" within the meaning of such terms as defined in the Code.

(b) The Airline further covenants that it will not take any action or omit to take any action with respect to the investment of the proceeds of any Series of Bonds or with respect to Special Facility Revenues (including the payments derived under Section 4.1 of this Agreement) which would result in causing Bonds of any Series to constitute "arbitrage bonds" within the meaning of such term as defined in the Code.

(c) In furtherance of the covenants in this section, the Airline will execute any Tax Documents or amendments or supplements to this Agreement with respect to any Series of Bonds containing such representations and covenants as are deemed necessary or advisable in the opinion of Bond Counsel to insure that the Airline complies with the provisions of this section.

(d) As and to the extent permitted by Section 3.6 hereof and Section 501 of the Indenture, the Airline reserves the right to direct any investment of moneys in any of the Funds under the Indenture, other than the Rebate Fund, permitted by state law, if, when and to the extent that Section 148 of the Code or regulations promulgated thereunder or any similar or successor provisions thereto shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the written opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

(e) The Airline agrees to notify the Trustee and the City of the occurrence of any event of which the Airline has notice that would require the Airline to prepay the amounts due hereunder in accordance with Section 7.2 hereof.

Section 3.8. Use Of Leased Premises.

It is acknowledged that the City and the Airline have entered into the Site Lease providing for the lease by the Airline of the Leased Premises (including the Airline's right to use and occupy the Project) and that the Site Lease provides for the rental payments applicable to the Leased Premises and the rights of the Airline with respect to the Leased Premises. The Airline hereby confirms to the City, its representations, warranties, agreements and covenants under the Site Lease. Nothing herein shall limit the City's exercise of any right or remedy under the Site Lease in the event of a default thereunder by the Airline.

Article IV.

Payments Under This Agreement.

Section 4.1. Issuance Of Bonds And Other Obligations.

(a) In order to provide for the financing of the Project and any Additions, including Costs and expenses incidental thereto and to the issuance of the Bonds, the City hereby agrees to cause the proceeds received from the sale of any Series of Bonds to be deposited, disbursed and applied in accordance with Article III hereof.

(b) For and in connection with the right to lease, use and occupy the Project and any Additions under the Site Lease, and without affecting or diminishing in any manner or to any extent the payments required to be made by the Airline under and pursuant to the Site Lease, the Airline agrees to make all payments when due under Section 4.2(a) hereof, which payments shall be sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds.

Section 4.2. Amounts Payable.

(a) The Airline agrees to make payments to the Trustee for the account of the City in the following amounts and on the following dates:

(i) with respect to any Series of Outstanding Bonds, no later than 12:00 Noon, Chicago time, on each Interest Payment Date or other date upon which interest on such Series is payable, a sum (in funds immediately available to the Trustee) that, together with other moneys available therefor in the Capitalized Interest Account in the Construction Fund, the Interest Account in the Bond Fund, and in the Special Facility Revenue Fund, will equal the interest to be paid on such Outstanding Bonds on such date;

(ii) with respect to any Series of Outstanding Bonds, no later than 12:00 Noon, Chicago time, on each date on which principal of such Series is payable, at Stated Maturity, upon redemption, by acceleration or otherwise, a sum (in funds immediately available to the Trustee) that, together with other moneys available therefor in the Principal Account in the Bond Fund and in the Special Facility Revenue Fund, will equal the principal of and redemption premium, if any, on such outstanding Bonds that will become due and payable on such date; and

(iii) no later than 12:00 Noon, Chicago time, on the fifth (5th) Business Day after the Trustee shall have notified the City and the Airline that the balance in the Debt Service Reserve Fund (or any applicable Series Account therein) shall have become less than the Debt Service Reserve Requirement then in effect (whether for the Debt Service Reserve Fund as a whole or for such applicable Series Account therein), a sum (in funds immediately available to the Trustee) that, together with other moneys available therefor in the Debt Service Reserve Fund and the Special Facility Revenue Fund, will equal such Debt Service Reserve Requirement then in effect, provided that, if such deficiency shall arise solely as a result of a redetermination by the Trustee of the value of obligations or other investments in the Debt Service Reserve Fund (or such applicable Series Sub-Account therein) pursuant to Section 400(e) of the Indenture, the Airline shall not be required to make such payment unless, until and to the extent that such deficiency shall remain in existence on the first anniversary of such redetermination;

provided that the obligation of the Airline to make any payment under clause (i) or clause (ii) above shall be reduced by the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the City on the Bonds. If pursuant to Section 409 of the Indenture the Airline shall furnish a letter of credit or surety bond policy for deposit in the Debt Service Reserve Fund in satisfaction of all or any portion of the Debt Service Reserve Requirement, the obligation described in clause (iii) above may be satisfied by restoring the deficit in the amount available under such letter of credit or surety bond policy in lieu of a cash payment.

(b) The Airline agrees to pay to the Trustee, promptly after receipt of any statement of the Trustee therefor, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of the Indenture: (i) an amount equal to the annual fee of the Trustee for the Ordinary Services (including reimbursement for fees and expenses of any co-trustee, authenticating agent or co-bond registrar) rendered by it and Ordinary Expenses, including legal fees and expenses, incurred by it under the Indenture, as and when the same become due, (ii) the reasonable fees, charges and expenses of the Trustee, as Bond Registrar and Paying Agent, as and when the same become due, (iii) the reasonable fees, charges and expenses of the Trustee for reasonable and necessary Extraordinary Services and Extraordinary Expenses, including legal fees and expenses, as and when the same become due (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), (iv) the printing and engraving costs of any Bonds required by the Trustee from time to time, and (v) the amount of any indemnity to which the Trustee may from time to time be entitled pursuant to the provisions of Section 903 of the Indenture.

(c) The Airline will pay as and when the same become due, to the extent not paid from proceeds of the Bonds, to the City, the reasonable costs and expenses, including legal fees, that may be incurred by the City in connection with this Agreement or in connection with the performance of any covenants, duties or obligations under this Agreement or the Indenture, including without limitation any obligations pursuant to Article VII of the Indenture, provided that nothing contained in this Section 4.2(c) or in Section 4.2(d) or Section 5.4 hereof shall require that the Airline pay, or indemnify or reimburse the City for the payment of, legal fees or expenses paid or incurred by the City if and to the extent that such legal fees or expenses shall have resulted from the active negligence or willful misconduct of the City, nor shall any such legal fees or expenses be deemed Administrative Expenses hereunder or under the Indenture.

(d) The Airline will pay as and when the same become due, to the extent not paid from proceeds of any Series of Bonds, all other Administrative Expenses not included in subsections (b) and (c) above hereinafter arising pursuant to this Agreement or the Indenture, including without limitation the reasonable fees, charges and expenses of any Tender Agent with respect to any Bonds which may from time to time become Tendered Bonds.

(e) If for any reason moneys in the Rebate Fund on any date on which amounts are to be paid therefrom pursuant to the provisions of the Tax Documents are insufficient to pay the amounts then due, the Airline shall pay, and hereby unconditionally agrees to pay, to the Trustee for the account of the City for deposit into the Special Facility Revenue Fund, until the principal of and interest on such Series shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in funds immediately available to the Trustee, (i) such sum as shall be necessary, together with other moneys in the Bond Fund available for the purpose, to pay the amount payable on any such date as interest on such Series as provided in the Indenture, and (ii) such sum as shall be necessary, together with other moneys in the Bond Fund available for the purpose, to pay the amount payable on any such date as principal of such Series as provided in the Indenture.

(f) If the Airline shall fail to make any of the payments required in this Article IV with respect to any Bonds, the payment so in default shall continue as an obligation of the Airline until the amount in default shall have been fully paid and the Airline will pay interest on any overdue principal and, to the extent permitted by law, on overdue interest, at the rates borne by the Bonds during such time until paid.

Section 4.3. Payments Pledged And Assigned.

It is understood and agreed that all payments required to be made by the Airline pursuant to Section 4.2 hereof (except payments to be made to the Trustee pursuant to Section 4.2(b) hereof and payments to be made to the City pursuant to Section 4.2(c) hereof) and certain rights of the City hereunder (except its Unassigned Rights) are pledged and assigned to the Trustee by the Indenture. The Airline consents to such pledge and assignment. The City hereby directs the Airline and the Airline hereby agrees to pay or cause to be paid to the Trustee all such amounts required to be paid by or for the account of the Airline pursuant to Section 4.2 hereof (except payments to be made to the City pursuant to Section 4.2(c) hereof). Neither the Site Lease nor the Leased Premises will constitute any part of the security for the Bonds.

Section 4.4. Obligations Of Airline Hereunder Unconditional.

The obligations of the Airline to make the payments required in Section 4.2 and Section 4.6 hereof and to perform and observe the other covenants on its part contained herein shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim, abatement or otherwise and until such time as the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Airline (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Section 4.2 and Section 4.6

hereof, (ii) will perform and observe all of its other covenants contained in this Agreement, and (iii) will not suspend the performance of its obligations hereunder for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of or a defect of title to the Leased Premises or any part thereof, eviction or constructive eviction, destruction of or damage to the Leased Premises, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, or any failure of the City to perform and observe any covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section shall be construed to release the City from the performance of any of the covenants on its part herein contained; and if the City shall fail to perform any such covenant on its part, the Airline may institute such action against the City as the Airline may deem necessary to compel performance, provided that no such action shall (a) violate the covenants on the part of the Airline contained in the first sentence of this Section 4.4, or (b) diminish the payments and other amounts required to be paid by the Airline pursuant to Section 4.2 and Section 4.6 hereof. The Airline may, however, at its own cost and expense and in its own name or in the name of the City (provided the City is a necessary party), prosecute or defend any action or proceeding or take any other action involving third persons that the Airline deems reasonably necessary in order to secure or protect its rights hereunder; and in such event the City agrees to cooperate fully with the Airline and to take all action necessary to effect the substitution of the Airline for the City in any such action or proceeding if the Airline shall so request.

Section 4.5. Payment And Redemption Of The Bonds From Payments Hereunder.

(a) The Bonds shall be payable from payments made by the Airline to the Trustee, as assignee of the City, under Section 4.2(a) hereof. Payments of principal of or interest or redemption premium, if any, on any Series of Bonds with moneys in the Bond Fund, the Construction Fund or the Debt Service Reserve Fund constituting proceeds from the sale of the Bonds or earnings on investments made under the provisions of the Indenture shall be deemed to be like payments with respect to the amounts due under Section 4.2(a) hereof and shall be credited against the obligation to pay amounts due under Section 4.2(a) hereof.

(b) Whenever any Bonds are redeemable in whole or in part at the option of the Airline, the Trustee, on behalf of the City, shall redeem the same upon the request of the Airline and such redemption shall constitute payment of amounts due under Section 4.2(a) hereof equal to the aggregate principal amount of and redemption premium, if any, on Bonds so redeemed and payment of amounts due under Section 7.3(b) hereof equal to the redemption price (including any premium) of such Bonds.

(c) Whenever payment or provision therefor has been made in respect of the principal of or interest or redemption premium, if any, on all or any portion of any Series of Bonds in accordance with the Indenture (whether at Stated Maturity or upon redemption or acceleration or upon provision for payment in accordance with Article XII of the Indenture), the amounts due under Sections 4.2(a) and 7.3(b) hereof shall be deemed paid to the extent such payment or provision therefor has been made and is considered to be a payment of principal of or interest or redemption premium, if any, on such Series. If Bonds of such Series are thereby deemed paid in full, the Trustee shall notify the Airline that such payment requirements have been satisfied. Subject to the foregoing, or unless the Airline is entitled to a credit under this Agreement or the Indenture, all payments shall be in full amounts required under Sections 4.2(a) and 7.3(b) hereof.

Section 4.6. Additional Payment Obligations Of The Airline; Credit Facility.

(a) In addition to the payments required to be made by the Airline pursuant to Section 4.2 hereof, the Airline agrees to pay to the Trustee, no later than [12:00 Noon], New York City time, amounts sufficient to pay the Purchase Price of any Tendered Bonds on the date such Tendered Bonds are to be purchased pursuant to the applicable provisions of the Indenture; provided that the obligation of the Airline to make such payment hereunder with respect to the Purchase Price of Tendered Bonds shall be reduced by the amount of any moneys available for such payment from the remarketing of such Tendered Bonds. All such payments shall be made to the Trustee at its designated office in lawful money (immediately available) of the United States of America. The Airline directs the Trustee to apply such amounts to reimburse the Credit Provider for any such Series of Bonds for amounts drawn or otherwise provided under the Credit Facility for such Series to purchase such Tendered Bonds to the extent provided in the Indenture; otherwise, to apply such amounts for the purpose for which they are paid. The Airline agrees that it shall not purchase, or permit any affiliate to purchase, any Bonds being remarketed by the Remarketing Agent.

(b) From the date of the original issuance and delivery of any Series of Bonds which may be Tendered Bonds to and including the Conversion Date whereupon no Bonds of such Series may thereafter become Tendered Bonds, the Airline agrees to provide for the payment of the amounts to be paid by the Airline pursuant to Section 4.6(a) by delivery to the Trustee of a Credit Facility for such Series of Bonds satisfying the requirements therefor provided in the Indenture with respect to such Series simultaneously with the original issuance and delivery of such Series. The Airline hereby authorizes and directs the Trustee to draw or otherwise obtain moneys under any such Credit Facility in accordance with the provisions of the Indenture to the extent necessary to make payments of the Purchase Price of Bonds of any such Series when such Purchase Price is from time to time due and payable.

(c) With respect to any Series of Bonds or portion thereof for which the applicable provisions of the Indenture shall so require, the Airline agrees to deliver to the Trustee simultaneously with the original issuance and delivery of such Series a Credit Facility for such Series of Bonds satisfying the applicable requirements of the Indenture and to maintain such Credit Facility, or to provide an alternate or substitute Credit Facility for such Series of Bonds satisfying such applicable requirements at all times as long as the Indenture shall so require. Any alternate or substitute Credit Facility for any Series of Bonds shall be effective on or before the date of expiration of the prior Credit Facility for such Series, and shall have a term ending at least fifteen (15) days after an Interest Payment Date and no sooner than one year after its date of issuance. In connection with furnishing any alternate or substitute Credit Facility for any Series of Bonds, the Airline agrees to provide such opinions of Bond Counsel and Counsel to the Credit Provider of such Credit Facility and such written evidence from the Rating Agency rating the Bonds of such Series, if any, with respect to the effect of the furnishing of such alternate or substitute Credit Facility on the rating of the Bonds of such Series as shall be required pursuant to the Indenture. The Airline shall not be required to maintain or provide a Credit Facility to secure the payment of the Purchase Price of any such Series of Bonds after such Conversion after which no Bonds of such Series may become Tendered Bonds.

Article V.

Special Covenants.

Section 5.1. No Liability Of City.

The Bonds shall be limited obligations of the City payable solely out of the Special Facility Revenues derived from this Agreement. No holder of any Bond shall have the right to compel any exercise of the taxing power of the City or the State or any political subdivision thereof to pay the Bonds or the interest thereon, and the Bonds shall not constitute an indebtedness of the City or the State or any political subdivision thereof or a loan of credit thereof within the meaning of any constitutional or statutory provision or limitation of indebtedness applicable to the City.

Section 5.2. Financial Information Of Airline.

The Airline agrees to furnish to the City and the Trustee a copy of its audited annual report setting forth its financial statements prepared in accordance with appropriate German accounting principles on a basis consistent with its audited annual report for the year ended December 31, 1989 and the report of the independent public accountants with respect thereto. Such annual report shall be furnished to the City and the Trustee as soon as it becomes publicly available, but in no event later than 270 days after the end of the Airline's fiscal year. Upon request of the City or the Trustee, the Airline will furnish copies of any other of its financial statements and reports which it makes publicly available. The Airline agrees that it will furnish all of the foregoing to the Trustee in a sufficient number of copies to permit the Trustee to distribute copies thereof to all holders of the Bonds that from time to time request such copies.

Section 5.3. Airline To Maintain Its Corporate Existence; Conditions Under Which Exceptions Permitted.

The Airline agrees that during the term of its Agreement it will maintain in good standing its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it, unless the resulting, surviving or transferee corporation, as the case may be, is a solvent corporation and, concurrently with such transaction, if the Airline is not such resulting, surviving or transferee corporation, (a) irrevocably and unconditionally assumes in writing, by means of an instrument delivered to the City and the Trustee, and agrees to perform, all of the obligations of the Airline herein, and, (b) if such corporation is not organized and existing under the laws of the United States or any State or territory thereof or the District of Columbia, delivers to the City an irrevocable consent to service of process and jurisdiction substantially similar to Section 8.9 hereof.

Section 5.4. Indemnification Covenant.

(a) The Airline hereby confirms its obligations pursuant to Section 10.03 of the Site Lease and further agrees that such obligations shall extend in addition (1) to any and all liabilities, losses, damages, costs and expenses (including reasonable attorney's fees and expenses), causes of action, suits, claims, demands, judgments, awards and settlements arising out of any violation by the Airline of any agreement, warranty, covenant or condition of this Agreement or of any other document executed and delivered by the Airline pursuant to the Indenture or in connection with the issuance, payment, administration or maintenance of the Bonds and (2) to the Trustee, its agents, representatives and employees (except, in each case, to the extent caused by the active negligence or willful misconduct of the City or the Trustee or both of them, their agents, representatives or employees as determined by a final judicial proceeding).

(b) 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 pursuant to the foregoing subsection (b), 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 (1) such employment has been specifically authorized by the Airline or (2) the City or the Trustee, as the case may be, shall have been advised by Counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Airline (in which case the Airline shall not have the right to assume the defense of such action on behalf of the City or the Trustee, as the case may be).

(c) The indemnity provided for in this Section 5.4 shall be independent of any indemnities to which the City may be entitled under the provisions of the purchase agreement with respect to any Series of Bonds and any other agreements between the City and the Airline.

Section 5.5. Redemption Of Bonds.

If the Airline is not in default in the payments under Section 4.2 and Section 4.6, hereof, the City, upon reasonable assurance from the Airline that the Airline shall make sufficient moneys available to pay the redemption price (including any premium) of any Bonds designated by the Airline for redemption, at the request at any time of the Airline and if the same are then callable, shall forthwith take all steps that may be necessary under the provisions of the Indenture to effect redemption of all or a portion of the then outstanding Bonds, as may be specified by the Airline, on the earliest redemption date on which such redemption may be made under such applicable provisions.

Section 5.6. Assignment.

This Agreement may be assigned in whole or in part by the Airline only in conjunction with a corresponding assignment of the Site Lease pursuant to Section 1.05 thereof and with the written consent of the City, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 5.3 hereof with respect to the Airline) shall relieve the Airline from liability for any of its obligations hereunder, and in the event of any such assignment the Airline shall continue to remain liable for payment of the amounts specified in Section 4.2 and Section 4.6 hereof and for performance and observance of the other covenants, warranties, representations and agreements on its part herein provided to be performed and observed to the same extent as though no assignment had been made;

(b) The assignee shall assume, in writing, the obligations of the Airline hereunder to the extent of the interest assigned; and

(c) The Airline shall, at least five (5) days before any such assignment, provide the City and the Trustee with written notice thereof and promptly, but in any event no later than thirty (30) days, after any such event, furnish or cause to be furnished to the City and to the Trustee a true and complete copy of such assignment and two (2) executed counterparts of an assumption of obligations agreement.

Section 5.7. Taxes On The Special Facility Revenues.

If any taxes, assessments or other charges are levied on the City with respect to the moneys and other payments to be paid to the City under Section 4.2 hereof, which taxes create a lien thereon that is before the lien of the Trustee pursuant to the Indenture, the Airline agrees to pay the same promptly and to hold the City harmless therefrom. If the Airline shall pay any such tax, assessment or other charge, the Airline shall be subrogated to the City's right, if any, to contest the validity of the levy of such tax, assessment or other charge and shall be entitled to recovery, as compensatory damages, of an amount up to the amount of such tax, assessment or other charge so paid by the Airline plus, to the extent permitted by law, the amount of legal fees incurred in connection with such contest.

Section 5.8. Insurance; Damage Or Destruction Of The Demised Premises.

The City and the Airline confirm their agreements and covenants with respect to insurance set forth in Article VIII of the Site Lease.

Section 5.9. Condemnation.

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

(b) Net Proceeds. The Airline acknowledges that is required to use any proceeds of any condemnation award or other amount received by the Airline on account of or in connection with any condemnation, taking or other proceeding that deprives the Airline of the use and occupancy of all or part of the Leased Premises, to the extent such proceeds are not used to rebuild, or to acquire any comparable facility to replace, such part or all of the Leased Premises, to redeem Bonds pursuant to Section 7.2 hereof and Section 601(c) of the Indenture.

Section 5.10. Certain Reimbursements By The City.

The Airline hereby recognizes that pursuant to Section 4.01 of the Site Lease, the Airline may receive reimbursement for the Airline's cost of installing certain Common Improvements (as defined in the Site Lease), which cost is or shall be intended to be paid out of the proceeds of the sale of Bonds. The Airline hereby covenants and agrees that, if and when the Airline receives any such reimbursement, the Airline will pay to the Trustee, as soon as practicable after receipt of such reimbursement, for optional prepayment of the amounts payable hereunder and redemption of the Bonds pursuant to Section 601(a) of the Indenture, on the earliest date on which Bonds are redeemable at a price of 100% of the principal amount thereof (and without premium), to the extent such reimbursement relates to Costs of the Project for which moneys in the Construction Account of the Construction Fund were disbursed pursuant to Section 304 of the Indenture, the excess, if any, of (a) the aggregate amount of all such reimbursements related to such Costs of the Project over (b) the aggregate amount of moneys not obtained through the issuance of Bonds which the Airline has applied, or intends to apply, to payment of such Costs of the Project. Notwithstanding the foregoing sentence, the Airline shall not be obligated to apply any such reimbursements to prepayment of amounts payable hereunder with respect to, and to the redemption of, any Series of Bonds the proceeds of which shall not have been used or be intended to be used for payment of such costs.

Article VI.

Events Of Default And Remedies.

Section 6.1. Events Of Default Defined.

The occurrence of any one or more of the events described in the following subsections (a) through (d) of this Section 6.1 shall constitute a "default" for all purposes of this Agreement; and each such default shall, after the giving of notice, if any, passage of time, if any, or occurrence of an event, if any, specified in the subsection describing such default, constitute an "event of default" for all purposes of this Agreement:

(a) If the Airline fails to pay when due any amounts required to be paid in accordance with clauses (i) and (ii) of Section 4.2(a), Section 4.6(a) and Section 7.3(b) hereof, which failure continues for a period of five (5) Business Days and results in an event of default under subparagraph (a) or subparagraph (b) of Section 801 of the Indenture; or

(b) If the Airline fails to pay when due any amounts required to be paid or to otherwise satisfy its obligations pursuant to clause (iii) of Section 4.2(a) hereof, which failure continues for a period of five (5) Business Days; or

(c) If the Airline fails to provide or maintain in effect any Credit Facility required by the Indenture for any Series of Bonds, and such failure results in an event of default under Section 801 of the Indenture; or

(d) If the Airline materially breaches any of its representations or warranties made in this Agreement or fails to observe and perform any of its covenants, conditions or agreements made on its part to be observed or performed hereunder, other than as referred to in subsections (a) and (b) of this Section, for a period of sixty (60) days after written notice specifying such breach or failure and requesting that it be remedied, given to the Airline by the Trustee or, with regard to Unassigned Rights, the City, unless (i) the Trustee or, with regard to Unassigned Rights, the City, shall agree in writing to an extension of such time before its expiration, or (ii) if the breach or failure be such that it can be corrected but not within the applicable period, corrective action is instituted by the Airline within the applicable period and is being diligently pursued; or

(e) If the Airline is dissolved or liquidated, or admits in writing its inability to meet its debts as they mature, or makes an assignment for the benefit of its creditors, or enters into an agreement of composition with its creditors, or files a voluntary petition in bankruptcy or commences any similar proceeding with respect to adjudicating or adjusting the rights of its creditors or any similar relief from its obligations before any court, governmental agency or other tribunal having jurisdiction over the bankruptcy, insolvency or reorganization of the Airline or the rights of its creditors generally (a "Bankruptcy Tribunal"); or if an order for relief under Title 11 of the United States Code, as the same may from time to time be hereafter amended, or any similar act by any other Bankruptcy Tribunal is entered, taken or issued against the Airline; or if a petition or answer or equivalent instrument proposing the entry of an order for relief against the Airline under Title 11 of the United States Code, as the same may from time to time be hereafter amended, or proposing the reorganization, arrangement, or debt readjustment of the Airline under any present or future federal bankruptcy act or any similar federal or state law in any court or under any similar law of the Federal Republic of Germany in any other Bankruptcy Tribunal is filed or a similar proceeding is commenced with respect to the Airline and such petition or answer or proceeding is not discharged or denied within ninety (90) days after such filing or the commencement of such proceeding; or if a custodian (including, without limitation, a receiver, trustee, liquidator or similar fiduciary) is appointed for all or a subsequent part of the property of the Airline, and is not discharged within ninety (90) days after such appointment; or if any such custodian takes possession of the Airline or a substantial part of its property, and such taking fails to be discharged within ninety (90) days thereafter; or if the Airline consents to or acquiesces in or takes any action in furtherance of any of the foregoing. The term "dissolution or liquidation of the Airline", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Airline resulting from a merger or consolidation of the Airline into or with another corporation or a dissolution or liquidation of the Airline following a transfer of all or substantially all of its assets, under the conditions permitting such actions contained in Section 5.3 hereof.

The foregoing provisions of Section 6.1(d) are subject to the following limitations: If by reason of force majeure the Airline is unable in whole or in part to carry out its agreements on its part herein contained other than the obligations on the part of the Airline contained in Article IV, Section 4.6 and Section 5.4 hereof the Airline shall not be deemed in default during the continuance of such inability. The Airline agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Airline from carrying out its agreements; provided that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Airline and the Airline shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of the opposing party or parties when such course is in the sole judgment of the Airline unfavorable to the Airline; and provided further that a breach of the covenants set forth in Section 3.7 hereof or of any other covenant with respect to the tax exempt status of interest on the Bonds shall not constitute an event of default subject to acceleration hereunder.

Section 6.2. Remedies On Default.

(a) Whenever any event of default referred to in Section 6.1 hereof shall have occurred and be continuing , the Trustee, as assignee of the City (other than with respect to Unassigned Rights):

(i) shall, by notice in writing to the Airline upon the occurrence and continuation of an event of default described in clause (a), clause (b), or clause (c) above and without notice to the Airline upon the occurrence and continuation of an event of default described in clause (d) above, declare all amounts payable under this Agreement to be due and payable immediately, but only if concurrently with or before such notice the unpaid principal amount of the Bonds shall have been declared to be due and payable, and upon any such declaration the same (being an amount sufficient, together with other moneys available therefor in the Special Facility Revenue Fund, the Debt Service Reserve Fund and the Bond Fund, to pay the unpaid principal of and interest and redemption premium, if any, accrued on the Bonds) shall become and shall be immediately due and payable; and

(ii) may take whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due hereunder or to enforce performance and observance of any obligation, agreement or covenant of the Airline under this Agreement; provided that the Trustee, as assignee pursuant to the Indenture of certain of the City's rights hereunder, shall not have or be entitled to exercise any rights of entry, re-entry, eviction, reletting, or any similar rights with respect to the Project or the Leased Premises, all such rights generally being exercisable solely by the City pursuant to the Site Lease, except to the extent of certain rights to cure certain defaults and replace the Airline with another tenant of the Leased Premises provided in Section 12.01(c) of the Site Lease. The Airline acknowledges that rents payable by any such replacement tenant shall be applied first to satisfy its obligations under the Site Lease and only the excess, if any, shall be available for payment of its obligations hereunder with respect to payment of principal and interest on the Bonds, as provided in such Section of the Site Lease. The City and the Airline agree that any such excess rents may be deemed Special Facility Revenues under the Indenture and this Agreement and, to the extent they are paid to the Trustee, shall be deposited in the Special Facility Revenue Fund and credited against the amounts payable by the Airline pursuant to Section 4.2(a) hereof.

(b) Any amounts collected pursuant to action taken under this Section shall be paid into the Special Facility Revenue Fund (unless otherwise provided in this Agreement) and applied in accordance with the provisions of the Indenture. No action taken pursuant to this Section 6.2 shall relieve the Airline from the Airline's obligations pursuant to Section 4.2 hereof.

(c) Notwithstanding the foregoing provisions of this Section 6.2, if and to the extent that any event of default referred to in Section 6.1(c) hereof shall have resulted from the failure on the part of the Airline to observe or perform any covenant, condition or agreement on its part to be observed, or performed pursuant to the provisions of this Agreement relating to the City's Unassigned Rights, the City shall be entitled in its own name and for its own account, to the exclusion of any exercise by the City of any other remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute (but without affecting or limiting any of the City's rights or remedies under the Site Lease), to institute such action against the Airline as the City may deem necessary to compel performance or observance of such covenant, condition or agreement or to recover damages for the Airline's non-performance or non-observance of the same.

Section 6.3. No Remedy Exclusive.

Except as otherwise provided in Section 6.2(c) hereof, no remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the City hereunder shall also extend to the Trustee as assignee of the City (other than with respect to Unassigned Rights), and the Trustee and the owners of the Bonds, subject to the provisions of the Indenture, shall be entitled to the benefit of the covenants and agreements herein contained.

Section 6.4. Agreement To Pay Fees And Expenses Of Counsel.

If the Airline should default under any of the provisions of this Agreement and the City or the Trustee should employ Counsel or incur other expenses for the collection of the amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Airline herein contained, the Airline agrees that it will on demand therefor pay to the Trustee, the City or, if so directed by the City or Trustee, to the Counsel for the City or the Trustee, the reasonable fee of such Counsel and such other expenses so incurred by or on behalf of the City or the Trustee.

Section 6.5. No Additional Waiver Implied By One Waiver; Consents To Waivers.

If any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing and signed by the party making the waiver. The City shall have no power to waive any default hereunder by the Airline, except a default with respect to Unassigned Rights (which the City may waive unilaterally), without the consent of the Trustee to such waiver. The Trustee shall have power to waive any default by the Airline hereunder, except a default with respect to Unassigned Rights, without the prior written concurrence of the City. Notwithstanding the foregoing, if after the acceleration of the maturity of the outstanding Bonds by the Trustee pursuant to Section 802 of the Indenture, all arrears of interest on the outstanding Bonds and interest on overdue installments of interest (to the extent permitted by law) at the rate of interest borne by the Bonds and the principal of all Bonds then outstanding that have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of and the interest on such Bonds that by such acceleration shall have become due and payable, shall have been paid, any and all other "events of default" under the Indenture shall have been cured or waived in accordance with the provision of the Indenture, there shall have been paid the reasonable fees and expenses of the Trustee and of the owners of such Bonds, including reasonable attorneys' fees paid or incurred and such event of default under the Indenture shall be waived in accordance with Section 809 of the Indenture with the consequence that such acceleration under Section 802 of the Indenture is rescinded, then the Airline's default hereunder shall be deemed to have been waived and its consequences rescinded and no further action or consent by the Trustee or the City shall be required.

Article VII.

Option And Obligations Of Airline To Prepay.

Section 7.1. Option To Prepay.

The Airline shall have, and is hereby granted, the option to prepay the amounts payable hereunder in whole at any time or in part from time to time (a) to provide for the redemption of the Bonds pursuant to the provisions of Section 601(a) of the Indenture, including any such prepayment and redemption required pursuant to Section 5.10, or (b) to provide for the defeasance of the Bonds pursuant to Article XII of the Indenture. If the Airline elects to provide for the redemption of Bonds as permitted by this Section, the Airline shall notify and instruct the Trustee in accordance with Section 7.3 hereof to redeem all or any portion of the Bonds in advance of maturity.

Section 7.2. Obligations To Prepay.

The Airline agrees that if all or any part of the Bonds are called for redemption in accordance with the Indenture (other than as described in Section 7.1 hereof) or become subject to mandatory redemption, it will prepay the amounts due and to become due hereunder in whole or in part in an amount sufficient to redeem such Bonds on the date fixed for the redemption of the Bonds pursuant to Section 601(b) or (c) or any other applicable provisions of the Indenture.

Section 7.3. Notice Of Prepayment; Amount To Be Prepaid.

(a) Unless otherwise provided in Section 7.1 or Section 7.2 hereof, following either (i) the exercise of the options granted to the Airline in Section 7.1 hereof, or (ii) the occurrence of an event described in Section 7.2 hereof giving rise to the obligation to prepay the amounts due hereunder, the Airline shall give written notice of prepayment of such amounts to the City and to the Trustee if any of the Bonds shall then be unpaid or provision for payment shall not have been made in accordance with the provisions of the Indenture. The notice shall provide for the date of the application of the prepayment to be made by the Airline hereunder to the redemption of Bonds in whole or in part pursuant to call for redemption and shall specify the redemption date. On or before 12:00 Noon, Chicago time, on [the Business Day before] the date fixed by the Trustee for redemption of the Bonds after receipt of such notice, the Airline shall deposit with the Trustee as required by Section 7.1 or Section 7.2 hereof, as appropriate, for payment into the Special Facility Revenue Fund the amount required in Section 7.3(b).

(b) The amount payable by the Airline hereunder upon either (1) the exercise of the option granted to the Airline in Section 7.1 hereof, or (2) the occurrence of events specified in Section 7.2 hereof shall be, to the extent applicable and except as otherwise provided in Article XII of the Indenture, the sum of the following:

(i) the amount of money that, when added to the moneys on deposit in the Special Facility Revenue Fund before the prepayment being made, will be sufficient to provide all moneys necessary to redeem the Bonds or portions thereof to be redeemed on the date selected for such redemption, including, without limitation, principal and all interest accrued and to accrue to said redemption date and redemption expenses; plus

(ii) if all of the Bonds are to be retired, an amount of moneys equal to the Trustee's and Bond Registrar's fees and expenses under the Indenture accrued and to accrue until the final payment and redemption of the Bonds; minus

(iii) the amount of money by which the balance in the Debt Service Reserve Fund would exceed the Debt Service Reserve Requirement in effect after such redemption if no moneys in the Debt Service Reserve Fund would be available for such redemption (it being understood that such excess amount of money will be transferred from the Debt Service Reserve Fund and deposited in the Bond Fund in order to effectuate such redemption).

(c) any prepayment made pursuant to Section 7.1 or Section 7.2 hereof shall be deposited into the Special Facility Revenue Fund. No prepayment or investment of the proceeds thereof (including for this purpose proceeds from the reinvestment thereof) shall be made that shall cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 7.4. Relative Position Of Options And Indenture.

The options granted to the Airline in this Article shall remain prior and superior to any rights of the City to redeem all or a portion of the Bonds as may be provided in the Indenture and except as the contrary is expressly provided herein may be exercised whether or not the Airline is in default hereunder.

Section 7.5. Cancellation At Expiration Of Term.

At the acceleration, termination or expiration of the term of this Agreement and following full payment of the Bonds or provisions for payment thereof and of all other fees and charges in accordance with the provisions of this Agreement and the Indenture, the City shall deliver to the Airline any documents and take or cause the Trustee to take such actions as may be requested of it to effectuate the cancellation and evidence the termination of this Agreement. Termination of this Agreement shall not affect the respective rights and obligations of the City and the Airline under the Site Lease or the survival of the Airline's obligations hereunder to the extent provided in Section 8.10 hereof.

Article VIII.

Miscellaneous.

Section 8.1. Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the City, the Airline and their respective successors and assigns, subject, however, to the limitations contained in Section 5.3 and Section 5.6 hereof.

Section 8.2. Execution Counterparts.

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

Section 8.3. Amendments, Changes And Modifications.

After the issuance of the Bonds and before payment or provision for the payment of the Bonds in full (including interest thereon) in accordance with the provisions of the Indenture, this Agreement may not be amended, changed, modified, altered or terminated by the City and the Airline except as provided in Section 3.1 hereof and Article XI of the Indenture.

Section 8.4. Severability.

If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.5. Amounts Remaining In Certain Funds.

Any amounts remaining in the Special Facility Revenue Fund, the Bond Fund, and the Debt Service Reserve Fund, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges and expenses of the City and the Trustee and all other amounts required to be paid under this Agreement and the indenture, shall be paid promptly to the Airline by the Trustee as overpayment of the amounts due hereunder.

Section 8.6. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given to the parties required hereunder to receive such notice, certificate or communication when mailed by registered or certified mail, postage prepaid (provided that notices hereunder to the Trustee shall be effective when received by the Trustee), addressed as follows:

If To The City:	City of Chicago Office of Comptroller Room 501, City Hall 121 North LaSalle Street Chicago, Illinois 60602 Attention: City Comptroller
With A Copy To:	City of Chicago Department of Aviation 20 North Clark Street Suite 3000 Chicago, Illinois 60602

Attention: Commissioner of the
Department of Aviation

If To The Airline Mailing Address:	Lufthansa German Airlines John Hancock Center Suite 3020 875 North Michigan Avenue Chicago, Illinois 60611 Attention: Manager of Administration and Personnel
With A Copy To:	Lufthansa German Airlines 1640 Hempstead Turnpike East Meadows, New York 11554 Attention: Manager of Legal Affairs U.S.A.
If To The Trustee:	Independence Bank of Chicago 7936 South Cottage Grove Avenue Chicago, Illinois 60619 Attention: L. Irene Jackson, Trust Administrator
And To:	The First National Bank of Chicago One First National Plaza Suite [ ] Chicago, Illinois 606[ ] Attention:

A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Airline to the other shall also be given to the Trustee. The City, the Airline, and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. No notice need be given to any party listed in this Section 8.6 if such party is no longer a party to the transactions contemplated by this Agreement.

Section 8.7. Further Assurances.

Except as otherwise required by law, the Airline agrees that it will not enter into any contract or take any action by which the rights of the Trustee or the Bondholders under the Indenture may be impaired, and that it will, from time to time, execute and deliver such further instruments and take such further action as may be reasonably required to carry out the purpose of this Agreement and the Indenture. The Airline agrees and undertakes to perform any and all obligations of the Airline contained in and pursuant to the Indenture and agrees to be bound by the provisions thereof. The City and the Airline covenant that each, as appropriate, 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 assigning, pledging and confirming unto the Trustee the Trust Estate assigned and the Special Facility Revenues pledged thereunder.

Section 8.8. Applicable Law.

This Agreement shall be governed exclusively by and construed in accordance with the laws of the State applicable to contracts made and to be performed in the State.

Section 8.9. Consent To Service Of Process And Jurisdiction.

All judicial proceedings brought against the Airline with respect to this Agreement may be brought in any federal court of competent jurisdiction having situs within the boundaries of the federal court district of the Northern District of Illinois, and by execution and delivery of this Agreement, the Airline accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. The Airline has irrevocably designated and appointed the representative designated on the signature page of the Site Lease under the heading "Designation of Agent for Service of Process", as its agent in Chicago, Illinois to receive on its behalf service of all process in any such proceedings in any such court (which representative shall be available to receive such service at all times), such service being hereby acknowledged by such representative to be effective and binding service in every respect. The Airline irrevocably waives any objection (including without limitation any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceedings with respect to this Agreement in the jurisdiction set forth above and any objection or defense it may have to any such proceedings on the grounds of sovereign immunity, except that the Airline reserves the right to cause any proceedings brought against the Airline in the courts of any jurisdiction except the federal court district of the Northern District of Illinois to be removed to any federal court having situs within the Northern District of Illinois. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of City to bring proceedings against the Airline in the courts of any other jurisdiction.

Section 8.10. City's Obligations Limited.

Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that:

(a) The City may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the City by the Trustee or the Airline as to the existence of any fact or state of affairs required hereunder to be noticed by the City;

(b) The City shall not be under any obligation hereunder to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed either by the Trustee or the Airline;

(c) None of the provisions of this Agreement shall require the City to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liability that may be incurred thereby; and

(d) Any obligation that the City may incur under this Agreement or under any instrument executed in connection herewith that shall entail the expenditure of money shall not be a general obligation of the City but shall be a limited obligation payable solely from Special Facility Revenues.

Section 8.11. Term Of The Agreement.

This Agreement shall be in full force and effect from its date to and including such date as all of the Bonds issued under the Indenture shall have been fully paid or retired, and all amounts owing the City and the Trustee have been paid (or provision for such payment shall have been made as provided in the Indenture); provided that the Airline's obligations under Section 4.2 hereof shall survive in the event of a redemption of any or all of the Bonds pursuant to Section 601(b) of the Indenture until all of the Bonds issued under the Indenture shall have been fully paid or retired or provision for such payment shall have been made as provided in the Indenture; and provided further that the covenants of the Airline relating to the City's Unassigned Rights shall survive termination of this Agreement.

Section 8.12. Relationship To Site Lease.

Nothing contained in this Agreement is intended or shall be construed to preclude or limit in any way the exercise by the City or the Airline of its respective rights or remedies under the Site Lease nor to give to the Airline any separate right to use or occupy the Project or any other part of the Airport.

Section 8.13. Sales Of Materials To Contractors For Incorporation Into City-Owned Real Estate.

The City acknowledges that portions of the Project will be, or will be affixed to, real estate owned by the City. Accordingly, the City agrees that it will furnish written confirmation of factual matters with respect to its ownership of such portions of the Project to any applicable taxing authority at the reasonable request of the Airline in connection with any application of the Airline for an exemption from retailers' occupation tax for all purchases of building materials to be incorporated into the Project, use tax and all similar taxes for which such an exemption is appropriate.

In Witness Whereof, The City and the Airline have caused this Agreement to be executed in their respective corporate names and attested by their duly authorized officers, all as of the date first above written.

City of Chicago

By: ______________________________
City Comptroller

(Seal)

Attest:

____
City Clerk

Deutsche Lufthansa
Aktiengesellschaft

By: ______________________________
____

By: ______________________________
____

[Exhibit "A" attached to this Special Facility Use Agreement unavailable at time of printing.]

Preliminary Official Statement Dated December ____, 1990.

New Issue -- Full Book-Entry.

$____________________

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Lufthansa German Airlines Project)

Series 1990.

Dated: December 1, 1990. Due: ___________1, 2018.

The Series 1990 Bonds are limited obligations of the City of Chicago (the "City") and will be payable (except to the extent payable from proceeds of such Bonds and certain other moneys pledged therefor) solely from and secured by a pledge of payments to be made pursuant to a Special Facility Use Agreement dated December 1, 1990 between the City and Lufthansa German Airlines.

The payment of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds also has been unconditionally guaranteed by Lufthansa German Airlines.

Interest on the Series 1990 Bonds will be payable semiannually on each June 1 and December 1, commencing June 1, 1991. The Series 1990 Bonds will be issued as fully registered bonds and will be registered in the name of the nominee of Midwest Securities Trust Company, Chicago, Illinois ("M.S.T.C."). M.S.T.C. will act as securities depository of the Series 1990 Bonds. Purchases will be made in book-entry form through M.S.T.C. participants only in the principal amount of $5,000 or any integral multiple thereof and no physical delivery of Series 1990 Bonds will be made to purchasers. Payments of principal of and interest and redemption premium,if any, on the Series 1990 Bonds will be made to purchasers by M.S.T.C. through its participants.
The Series 1990 Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

In the opinion of Burke, Wilson & McIlvaine, Chicago, Illinois, and John H. Stroger, Jr., Chicago, Illinois ("Co-Bond Counsel"), under existing statutes, regulations, judicial decisions and if there is continuing compliance with certain agreements and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 1990 Bonds, except as described under the caption "Tax Matters" in this Official Statement, is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on the Series 1990 Bonds for any period during which any such Bonds are owned by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. However, interest on the Series 1990 Bonds will be treated as a preference item in calculating the alternative minimum tax on individuals and corporations and the environmental tax imposed on corporations by the Code. Co-Bond Counsel is also of the opinion that under the laws of the State of Illinois, as presently enacted and construed, interest on the Series 1990 Bonds is not exempt from Illinois income tax. See "Tax Matters" for further discussion of the tax implications of ownership of the Series 1990 Bonds.

[__% Series 1990 Bonds Due _______ 1, 2018 -- Price ___% (Plus Accrued Interest from December 1, 1990).]

The Series 1990 Bonds are offered when, as and if issued by the City and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, the approving legal opinions of Burke, Wilson & McIlvaine, Chicago, Illinois, and John H. Stroger, Jr., Esq. Chicago, Illinois, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by its Corporation Counsel and by Hopkins & Sutter, Chicago, Illinois, Special Counsel to the City. Certain legal matters will be passed upon for Lufthansa German Airlines by Arthur Molins, its Manager Legal Affairs/U.S.A., and for the Underwriters by their co-counsel, Gardner, Carton & Douglas, Chicago, Illinois, and Richard H. Newhouse, Jr., Chicago, Illinois. Confirmations of book entries are expected to be mailed by M.S.T.C. participants on or about December ____, 1990.

Smith Barney, Harris Upham & Co.,
Incorporated

George K. Baum & Company

Goldman, Sachs & Co.

Pryor, McClendon, Counts & Co., Inc.

Smith, Mitchell &
Associates, Inc.

City Of Chicago

Chicago-O'Hare International Airport

Mayor

Richard M. Daley

City Treasurer

Miriam Santos

City Clerk

Walter S. Kozubowski

City Council Committee On Finance

Edward M. Burke, Chairman

Chief Financial Officer

Edward J. Bedore

City Comptroller

Walter K. Knorr

Budget Director

Sidonie J. Walters-Lawrence

Corporation Counsel

Kelly R. Welsh

Department Of Aviation

Jay R. Franke, Commissioner

Department Of Public Works

David S. Williams, Jr., Commissioner

Special Counsel To The City

Hopkins & Sutter, Chicago, Illinois

Co-Bond Counsel

Burke, Wilson & McIlvaine, Chicago, Illinois

John H. Stroger, Jr., Esq.

Chicago, Illinois

The information contained in this Official Statement (which term shall be deemed to include the Summary Statement, the Appendices to this Official Statement and all documents incorporated or referred to herein by reference), has been obtained from the City, Deutsche Lufthansa AG, doing business in the United States as Lufthansa German Airlines (the "Airline"), and other sources deemed reliable. The information concerning M.S.T.C. has been obtained from M.S.T.C. No representation is made, however, as to the accuracy or completeness of such information, and nothing contained in this Official Statement is, or shall be relied upon as, a promise or representation by the Underwriters. This Official Statement is submitted in connection with the sale of securities described in it and may not be reproduced or used, in whole or in part, for any other purposes. The information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by any means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of the City or the Airline since the date of this Official Statement.

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

The Prices And Other Terms Respecting The Offering And Sale Of The Series 1990 Bonds May Be Changed From Time To Time By The Underwriters After The Series 1990 Bonds Are Released For Sale, And The Series 1990 Bonds May Be Offered And Sold At Prices Other Than The Initial Offering Prices, Including Sales To Dealers Who May Sell The Series 1990 Bonds Into Investment Accounts. In Connection With The Offering, The Underwriters May Overallot Or Effect Transactions Which Stabilize Or Maintain The Market Price Of The Series 1990 Bonds At A Level Above That Which Might Otherwise Prevail In The Open Market. Such Stabilizing, If Commenced, May Be Discontinued At Any Time.

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Summary Statement.

This Summary Statement is subject in all respects to more complete information contained in this Official Statement (which term shall be deemed to include the cover page, this Summary Statement, and the Appendices). The offering of the Series 1990 Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise to use it without the entire Official Statement.

The City.

The City of Chicago (the "City") is a municipal corporation and a home rule unit of local government under the Constitution of the State of Illinois, and owns and operates Chicago-O'Hare International Airport (the "Airport"). See "The City" and " The Airport".

The Series 1990 Bonds.

The $___________ City of Chicago, Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project), Series 1990 (the "Series 1990 Bonds"), issued in the amount, maturity and interest rate set forth on the cover page of this Official Statement, are the first series of bonds (all such bonds herein called "Bonds") issued and authorized pursuant to the Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project), dated as of December 1, 1990 (the "Indenture"), from the City to Independence Bank of Chicago and the First National Bank of Chicago, as trustees (collectively, the "Trustee"). Payment of principal of and interest and redemption premium, if any, on the Series 1990 Bonds will be guaranteed by the Airline, pursuant to a Guaranty from the Airline to the Trustee dated as of December 1, 1990 (the "Guaranty"). The Series 1990 Bonds will be subject to optional and mandatory redemption prior to maturity, in each case at the redemption prices, in the manner and at the times set forth in this Official Statement. See "The Series 1990 Bonds -- Redemption Prior to Maturity".

Book-Entry Only System.

When the Series 1990 Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by Midwest Securities Trust Company, Chicago, Illinois ("M.S.T.C."), in integral multiples of $5,000, and no physical delivery of Series 1990 Bonds will be made to purchasers. Payments of principal of and interest and redemption premium, if any, will be made to purchasers by M.S.T.C. through its participants. See "The Series 1990 Bonds -- Book-Entry Only System".

The Airport.

The Airport was in 1989 the busiest airport in the world, as measured by total passengers and by total aircraft operations. The Airport provides international service to eight counties in Illinois (Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry and Will) and two counties in Indiana (Lake and Porter) (collectively, the "Chicago Region"), and to other regions by virtue of hub operations at the Airport by American Airlines and United Airlines. The population of the Chicago region was 8,025,000 in 1988. Scheduled commercial non-stop service is offered to 202 airports (167 domestic and 35 foreign). Total air cargo volume was 1,056,708 tons in 1989. See "The Airport".

The Project.

A portion of the net proceeds of the Series 1990 Bonds will be used to finance the design, construction, installation and equipping of a [168,000] square foot air freight facility and related improvements (the "Project") at the Airport. The Project will be used by Deutsche Lufthansa AG, doing business in the United States as Lufthansa German Airlines (the "Airline"), pursuant to a Cargo Facility Site Lease dated as of December ____, 1990, between the Airline and the City. The Airline will agree to make payments sufficient to pay when due the principal of and interest and redemption premium, if any, on the Series 1990 Bonds pursuant to a Special Facility Use Agreement (Cargo Facility) dated as of December 1, 1990 (the "Agreement") between the Airline and the City. The Series 1990 Bonds will not be secured by the Project, but will be payable solely from payments made by the Airline under the Agreement and the Guaranty. See "The Project", "Security for the Series 1990 Bonds", "The Agreement", "The Site Lease" and "The Guaranty".

The Airline.

The Airline's principal shareholder is the Federal Republic of Germany, which has a 51% ownership interest. The Airline is the second largest airline in Europe in terms of number of passengers carried and as of September 30, 1990, served 184 airports in 85 countries, including 13 airports in the United States. Additional information concerning the Airline is contained in Appendix A.

Plan Of Finance.

The proceeds from the sale of the Series 1990 Bonds received by the City, together with interest earnings thereon, will be used to finance: (i) the Project; (ii) the interest on the Series 1990 Bonds during the construction of the Project; (iii) the Debt Service Reserve Requirement (as defined in the Indenture) for the Series 1990 Bonds; and (iv) the costs of issuance related to the Series 1990 Bonds. See "Plan of Finance".

Security.

The Series 1990 Bonds will be limited obligations of the City payable solely from Special Facility Revenues (as defined in the Indenture), which will be derived primarily from payments to be made by the Airline pursuant to the agreement and the Guaranty. In order to secure the payment of the principal of and interest and redemption premium, if any, on all Bonds outstanding from time to time, a pledge is made in the Indenture of the Special Facility Revenues and all moneys on deposit in the funds and accounts under the Indenture other than the Rebate Fund. The Series 1990 Bonds will not be general obligations of the City, and neither the full faith and credit nor the taxing power of the City is pledged for their payment. Neither the Project nor any additions thereto will serve as security for the Series 1990 Bonds or any other Bonds, and the Series 1990 Bonds will not be secured by any other properties or improvements at the Airport or the Revenues (as defined in the City's 1983 General Airport Revenue Bond Ordinance, as amended or supplemented) or any other revenues (other than the Special Facility Revenues) derived by the City from the operation of the Airport generally. See "Security For The Series 1990 Bonds", "Bondholders' Risks" and "Enforceability Of Remedies".

Debt Service Reserve Requirement.

As security for the registered owners of the Series 1990 Bonds, a Debt Service Reserve Fund will be established under the Indenture and funded concurrently with the issuance of the Series 1990 Bonds. The Indenture will require that the balance in the Debt Service Reserve Fund be maintained in an amount equal to the least of (i) 10% of the original aggregate principal amount of the Series 1990 Bonds, or (ii) the maximum amount of interest payable on the Series 1990 Bonds on any two consecutive interest payment dates, or (iii) the maximum amount permitted under the Internal Revenue

Code of 1986, as amended. In lieu of maintaining a cash deposit in the Debt Service Reserve Account, the Debt Service Reserve Requirement for the Series 1990 Bonds may be satisfied by the deposit of one or more irrevocable letters of credit or irrevocable surety bond policies. The moneys held in the Debt Service Reserve Fund as security for the Series 1990 Bonds will not be available as security for any other series of Bonds. See "Security For The Series 1990 Bonds -- Debt Service Reserve Fund."

Additional Bonds.

Additional series of bonds may be issued pursuant to the Indenture on a parity with the Series 1990 Bonds for the purposes described under the caption "Security For The Series 1990 Bonds -- Additional Bonds". The moneys held in the Debt Service Reserve Fund as security for the Series 1990 Bonds will not be available as security for any series of additional Bonds.

Official Statement.

$__________

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Lufthansa German Airlines Project)

Series 1990.

Introductory Statement.

This Official Statement, including the cover page, the table of contents, the Summary Statement and the Appendices, is provided to furnish information in connection with the sale by the City of Chicago (the "City") of its Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project), Series 1990 in the aggregate principal amount of $__________ (the "Series 1990 Bonds"). The Series 1990 Bonds will be issued pursuant to and secured by an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project) dated as of December 1, 1990 (the "Indenture") between the City and Independence Bank of Chicago and The First National Bank of Chicago, as trustees (collectively, the "Trustee").

The Series 1990 Bonds are being issued to provide funds to finance (i) the design, construction, installation and equipping of a 168,000 square foot air freight facility and related improvements (the "Project") at Chicago-O'Hare International Airport (the "Airport"); (ii) the interest on the Series 1990 Bonds during the construction of the Project; (iii) the Debt Service Reserve Requirement for the Series 1990 Bonds; and (iv) the costs of issuance related to the Series 1990 Bonds. Under and pursuant to a Special Facility Use Agreement (Cargo Facility) dated as of December 1, 1990 (the "Agreement"), Deutsche Lufthansa AG, doing business in the United States as Lufthansa German Airlines (the "Airline"), will agree to pay amounts sufficient to pay the principal of and interest and redemption premium, if any, on the Series 1990 Bonds. Payment of principal of and interest and redemption premium, if any, on the Series 1990 Bonds will be guaranteed by the Airline, pursuant to a Guaranty from the Airline to the Trustee dated as of December 1, 1990 (the "Guaranty"), funds on deposit under the Indenture and interest earnings thereon. The Series 1990 Bonds will not be secured by the Project, but will be payable solely from payments made by the Airline under the Agreement, the Guaranty, funds on deposit under the Indenture and interest earnings thereon. The City and the Airline also will enter into a Cargo Facility Site Lease dated as of December ____, 1990 (the "Site Lease"), pursuant to which the Airline will lease the land underlying the Project (the "Site") and the improvements thereon from the City.

The Series 1990 Bonds will be dated December 1, 1990 and will mature on June 1, 2018. The Series 1990 Bonds will bear interest at the rate set forth on the cover page of this Official Statement, and will be subject to mandatory and optional redemption prior to maturity as described under the caption "The Series 1990 Bonds -- Redemption Prior to Maturity". Interest on Series 1990 Bonds will be payable semiannually on June 1 and December 1 of each year (an "Interest Payment Date") commencing on June 1, 1991. The Series 1990 Bonds will be issued only in book-entry form in the name of a nominee of Midwest Securities Trust Company ("M.S.T.C."), as securities depository. No physical delivery of Series 1990 Bonds will be made to purchasers. See "The Series 1990 Bonds -- Book-Entry Only System".

Additional Bonds (the "Additional Bonds") may be issued from time to time by the City under the Indenture for the purposes described under the caption "Security For The Series 1990 Bonds -- Additional Bonds". The term "Bonds" shall mean the Series 1990 Bonds and any Additional Bonds issued pursuant to the Indenture.

Brief descriptions of the City, the Series 1990 Bonds, the Agreement, the Indenture, the Site Lease and the Guaranty are included in this Official Statement. Appendix A to this Official Statement furnishes, or refers to, information with respect to the Airline. Appendix B to this Official Statement sets forth the form of opinions of Co-Bond Counsel.

The descriptions herein of the Agreement, the Indenture, the Site Lease and the Guaranty are qualified in their entirety by reference to such documents, and the descriptions herein of the Series 1990 Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained during the initial offering period from the principal offices of the Underwriters and, after the initial delivery of the Series 1990 Bonds, at the principal corporate trust office of the Trustee in Chicago, Illinois.

The City.

The City is a municipal corporation and a home rule unit of local government under the 1970 Constitution of the State of Illinois. The Series 1990 Bonds are being issued under the authority and power granted to the City as a home rule unit by Article VII, Section 6(a) of the 1970 Constitution.

The Airport.

The Airport is owned and operated by the City. The Airport serves as the principal air terminal for the greater Chicago area, as well as a transfer and connecting point for numerous domestic and international flights. Measured by total passengers, the Airport was the busiest airport in the world in 1989 for the twenty-eighth consecutive year. In 1989, it also was the busiest airport in the world as measured by total aircraft operations. The Airport is located 18 miles northwest of the City's central business district and occupies 6,965 acres of land. The Airport is served by a network of highways, including several regional expressways, and is directly linked to the central business district and other parts of Chicago by a rapid transit rail system.

In 1989, total domestic and international passengers at the airport numbered 59,215,032; aircraft operations numbered 794,546; and air cargo volume was 1,056,708 tons. In order to improve and expand existing facilities at the Airport, the City has developed an airport development plan (the "Airport Development Plan") which includes a series of substantial improvements to the Airport, most of which have already been completed. The Project is consistent with and will be coordinated with the Airport Development Plan.

See "Litigation" and "Regulatory Proceedings and Proposed State Actions" for a discussion of certain pending litigation and regulatory proceedings relating to the Airport.

The Project.

The Project will include the following components: (i) warehouse and storage areas containing approximately 120,000 square feet; (ii) a three story office building containing approximately 48,000 square feet; (iii) approximately 83,300 square feet of aircraft parking (including service roadways) equipped with a fuel hydrant system; (iv) approximately 70,000 square feet of parking area for trucks, cars and other vehicles; and (v) various fixtures and equipment to be used for handling cargo in the warehouse, including an aircraft pallet storage and handling system and rack storage systems. In addition, the Project also will include reimbursement of the City for the costs of certain capital improvements to the Airport's cargo area, including the relocation of a roadway and utilities. The total cost of the Project is estimated to be $__________. See "Plan Of Finance".

Plan Of Finance.

Sources Of Funds For The Project.

The net proceeds from the sale of the Series 1990 Bonds, except amounts received from the purchasers of the Series 1990 Bonds as accrued interest, will be deposited in the Construction Fund and the Debt Service Fund established under the Indenture. Amounts received from the purchasers of the Series 1990 Bonds as accrued interest will be deposited in the Bond Fund under the Indenture. The initial deposits into these funds, together with the anticipated interest earnings thereon, are expected to be sufficient to pay the costs of the Project, to pay interest on the Series 1990 Bonds through June 1992 (the estimated completion date of the Project), to satisfy the Debt Service Reserve Fund Requirement under the Indenture for the Series 1990 Bonds and to pay the costs of issuance related to the Series 1990 Bonds. If Project costs increase, the completion date is delayed or interest earnings decrease below present estimates, the City may issue Additional Bonds to provide additional funds. See "Security for the Series 1990 Bonds -- Additional Bonds".

Estimated Application Of Series 1990 Bond Proceeds.

The proceeds from the sale of the Series 1990 Bonds (exclusive of $_________ in accrued interest, which will be deposited in the Interest Account in the Bond Fund established under the Indenture) are estimated to be applied as follows:

Project Costs	$
Capitalized Interest	
Debt Service Reserve Fund	
Underwriters' discount and other costs of issuance	_________
Principal Amount of Series 1990 Bonds	$_________

Debt Service Schedule For The Series 1990 Bonds.

Bond Year Ending April 1	Principal Payments	Interest	Total Debt Service
1991			
1992			
1993			
1994			
1995			
1996			
1997			
1998			

Bond Year Ending April 1	Principal Payments	Interest	Total Debt Service
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			

The Series 1990 Bonds.

General.

The Series 1990 Bonds will be dated December 1, 1990 and will mature on June 1, 2018. Interest in the Series 1990 Bonds will be payable semiannually on each June 1 and December 1, commencing June 1, 1991. The Series 1990 Bonds will bear interest from December 1, 1990 at the rate per annum set forth on the cover page hereof.

Redemption Prior To Maturity.

Optional Redemption. The Series 1990 Bonds will be subject to redemption in whole or in part on any business day on or after ___________, if the Airline exercises its option under the Agreement to prepay the payments due thereunder in whole or in part and thereby effect redemption of such Series 1990 Bonds at the following redemption prices (expressed as a percentage of the principal amount of the Series 1990 Bonds to be redeemed) plus accrued interest to the date fixed for redemption:

Redemption Period (dates inclusive)	Redemption Price

If the Airline is reimbursed pursuant to the Site Lease for the cost of certain common improvements financed from the proceeds of the Series 1990 Bonds, the Airline will agree to apply such reimbursements to the optional redemption of Bonds on the earliest date on which Bonds are redeemable at a price of 100% of the principal amount thereof (and without premium), but only to the extent that the amount of such reimbursement exceeds the amount of moneys not obtained through the issuance of Bonds which the Airline has applied, or intends to apply, to costs of the Project.

Mandatory Redemption upon Determination of Taxability. The Series 1990 Bonds will be subject to mandatory redemption in whole, or, as described below, in part, on any date before their maturity at a redemption price equal to 100% of the principal amount thereof, without premium, but with accrued interest thereon to the redemption date, which redemption date will be not more than 90 days following the receipt by the Airline of written notice from a registered owner ("Owner") of the Series 1990 Bonds or former Owner or from the Trustee of a final determination of the Internal Revenue Service or a court of competent jurisdiction to the effect that the interest paid or payable on any Series 1990 Bond to other than a "substantial user" of the project or a "related person" (within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code")) is or was includible in the gross income of the Owner thereof for federal income tax purposes under the Code; provided that no such determination will be considered final unless (a) the Owner or former Owner involved in such proceeding or action (i) gives the Airline and the Trustee prompt notice of the commencement thereof, and (ii) (if the Airline agrees to pay all expenses in connection therewith and to indemnify such Owner or former Owner against all liabilities in connection therewith), offers the Airline the opportunity to control unconditionally the defense thereof, and (b) either (i) the Airline does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (ii) the Airline shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action that the Airline determines to be appropriate. Fewer than all the Series 1990 Bonds may be redeemed if redemption of fewer than all Series 1990 Bonds would result in the interest payable on the Series 1990 Bonds remaining outstanding being not includible in the gross income for federal income tax purposes of an Owner other than a "substantial user" of the Project or a "related person" (within the meaning of Section 147(a) of the Code). Selection of Series 1990 Bonds for such partial redemption will be in such manner as the Trustee determines or in such manner acceptable to the Trustee as specified in a written opinion of bond counsel, and in such amount as bond counsel determines is necessary to accomplish such result. After the receipt by the Trustee of notice from the Airline pursuant to the Agreement, the Trustee will give notice of redemption as provided below. Upon the giving of such notice, the Series 1990 Bonds called for redemption will become due and payable on such redemption date at the redemption price together with the accrued interest to the redemption date, and such Series 1990 Bonds will be redeemed and cancelled by the Trustee on such redemption date.

If The Lien Of The Indenture As To The Series 1990 Bonds Has Been Defeased Before A Final Determination Of Taxability, The Series 1990 Bonds Will Not Be Subject To Mandatory Redemption In The Manner Described Above. See "The Indenture -- Discharge Of Indenture".

Mandatory Redemption upon Condemnation of Project and Site. The Series 1990 Bonds will be subject to mandatory redemption in part or in whole, as the case may be, on any date before their maturity at a redemption price equal to 100% of the principal amount thereof, without premium, but with accrued interest thereon to the redemption date, which redemption date will be not more than 90 days following the receipt by the Airline, pursuant to the Agreement, of its allocable portion of the net proceeds of any condemnation award received on account of any condemnation or taking of all or part of the Project and the Site. The Series 1990 Bonds will be redeemed pursuant to the first sentence of this paragraph in part in an aggregate principal amount equal to the highest integral multiple of $5,000 not exceeding the amount of such net proceeds received by the Airline or, if such net proceeds are sufficient therefor, in whole. After the receipt by the Trustee of notice from the Airline pursuant to the Agreement, the Trustee will give notice of such redemption as provided below. Upon the giving of such notice, the Series 1990 Bonds called for redemption will become due and payable on such redemption date at the redemption price, together with the accrued interest to the redemption date, and such Series 1990 Bonds will be redeemed and canceled by the Trustee on such redemption date. Neither the condemnation of the Project and the Site, nor the receipt of any condemnation proceeds, will affect the Airline's obligations under the Agreement or the Guaranty.

Notice and Effect of Redemption. Notice of redemption of the Bonds will be mailed by the Trustee not less than 30, nor more than 60, days prior to the redemption date, by registered or certified mail to the Owner of each Bond to be redeemed in whole or in part. Each notice of redemption will among other things: (i) specify the Bonds (or portions thereof) to be redeemed, the redemption date, the place or places of redemption and the redemption price, and (ii) state that the interest on the Bonds (or portions thereof) designated for redemption in such notice will cease to accrue from and after such redemption date.

If less than all of the Bonds are called for redemption, the Trustee will be required to select, in its sole discretion, the Bonds or portions thereof to be redeemed from Bonds outstanding and not previously called for redemption, in such manner as in the Trustee's sole discretion it deems appropriate and fair, whether by lot or otherwise.

If the Owner of any Bond called for redemption, in whole or in part, fails to present such Bond to the Trustee for payment (and exchange for a substitute Bond in the principal amount of the portion not called for redemption), such Bond will, nevertheless, become due and payable on the date fixed for redemption to, and only to, the extent of the portion called for redemption, and interest will cease to accrue after such date on such Bond or portion thereof.

If notice of redemption is given as described above and if sufficient funds for the payment of the principal of and interest and redemption premium, if any, on the Bonds (or portions thereof) to the redemption date are held for the purpose of such payment by the Trustee, then the Bonds (or portions thereof) so called for redemption will, on the redemption date, cease to bear interest and will be no longer be deemed outstanding under or secured by the lien of the Indenture.

Book-Entry Only System.

Series 1990 Bonds in Book-Entry. When the Series 1990 Bonds are issued, ownership interests will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by Midwest Securities Trust Company, Chicago, Illinois ("M.S.T.C."). The following discussion will not apply to Series 1990 Bonds if issued in physical form because of discontinuance of the Book-Entry System.

The information in this section concerning M.S.T.C. and M.S.T.C.'s Book-Entry System has been obtained from sources the City believes to be reliable, but neither the City nor the Underwriters take any responsibility for the accuracy or completeness thereof.

The Series 1990 Bonds will be registered under a book-entry only system, with bond certificates immobilized at M.S.T.C. and not available for distribution to the public, evidencing ownership of the Series 1990 Bonds in maturing amounts of $5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of M.S.T.C. and its participating organizations ("Participants") pursuant to rules and procedures established by M.S.T.C. Payments of principal and redemption price (including any premium) of and interest on the Series 1990 Bonds will be paid to M.S.T.C. or its nominee as the Owner of the Series 1990 Bonds. Transfers of payments of principal, and redemption price (including any premium) of and interest on the Series 1990 Bonds to beneficial Owners by Participants will be the responsibility of M.S.T.C. Transfers of payments of principal and redemption price (including any premium) of and interest on the Series 1990 Bonds to beneficial Owners by Participants will be the responsibility of such Participants and other nominees of beneficial Owners. Participants are responsible for furnishing confirmation of purchase of Series 1990 Bonds to the beneficial Owners. For every exchange or transfer among beneficial Owners of the Series 1990 Bonds, M.S.T.C. or the applicable Participants may charge a fee sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

The Indenture provides for the Trustee to perform certain duties with respect to the Series 1990 Bonds. The Trustee will perform certain fiduciary duties for the Owners, such as maintaining the funds and accounts established under the Indenture. The foregoing notwithstanding, the duties of the Trustee to the Owners will run solely to M.S.T.C. or its nominee as the owner of the Series 1990 Bonds.

M.S.T.C. has advised the City that it is a limited-purpose trust company organized under the laws of the State of Illinois, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Illinois Uniform Commercial Code, as amended, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. M.S.T.C. was created to hold securities of its Participants and to facilitate the clearance and settlement of securities transactions among M.S.T.C. Participants in such securities through electronic book-entry changes in accounts of the M.S.T.C. Participants, thereby eliminating the need for physical movement of securities certificates when ownership of securities is transferred. M.S.T.C. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to the M.S.T.C. system is also available to others such as banks, brokers, dealers and trust companies that clear securities transactions through or maintain a custodial relationship with an M.S.T.C. Participant, either directly or indirectly.

As long as M.S.T.C. is the securities depository of the Series 1990 Bonds, the Series 1990 Bonds will be registered in the name of Kray & Co., as the nominee of M.S.T.C., and the certificates for the Series 1990 Bonds will be held by M.S.T.C. Interests in the Series 1990 Bonds may be purchased by or through Participants. Such Participants and the persons for whom they acquire interests in the Series 1990 Bonds as nominees are referred to herein as "Beneficial Owners". Beneficial Owners will not receive bond certificates representing their interest in the Series 1990 Bonds. Such interests will be recorded and transferred only on the computerized Book-Entry System operated by M.S.T.C.

As long as M.S.T.C. is the securities depository of the Series 1990 Bonds, the Trustee and the City will treat M.S.T.C. or its nominee as the sole and exclusive Owner of the Series 1990 Bonds for all purposes. Accordingly, the Trustee and the City will make payments of principal, and redemption price (including any premium) of and interest on the Series 1990 Bonds, and will give any notices permitted or required to be given to Owners under the Indenture, only to M.S.T.C. The remittance of such payments and the transmittal of such notices to Participants and their customers are the obligations of M.S.T.C. and Participants, respectively.

Neither The Trustee Nor The City Will Have Any Responsibility Or Obligation To Any Participant, Any Person Claiming A Beneficial Ownership Interest In Any Series 1990 Bond Under Or Through M.S.T.C. Or Any Participant, Or Any Other Person Which Is Not Shown On The Registration Books Of The Trustee As Being An Owner, With Respect To The Accuracy Of Any Records Maintained By M.S.T.C. Or Any Participant, The Payment By M.S.T.C. Or Any Participant Of Any Amount In Respect Of The Principal Or Redemption Price (Including Any Premium) Of Or Interest On Any Series 1990 Bond, Any Notice Which Is Required To Be Given To Owners Under The Indenture, The Selection By M.S.T.C. Or Any Participant Of Any Person To Receive Payment In The Event Of A Partial Redemption Of The Series 1990 Bonds, Or Any Consent Given Or Other Action Taken By M.S.T.C. Or Its Nominee As The Registered Owner Of The Series 1990 Bonds.

The City may determine in its sole discretion that (i) M.S.T.C. is unwilling or unable to discharge its responsibilities as securities depository, or (ii) it is in the best interest of the City that the Beneficial Owners of the Series 1990 Bonds be able to obtain certificates for such Series 1990 Bonds. In addition, M.S.T.C. may determine to discontinue providing its service with respect to the Series 1990 Bonds at any time by giving notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances the City may appoint a successor securities depository, and M.S.T.C., the Trustee and the City will cooperate to arrange for such other securities depository to maintain custody of certificates evidencing such Series 1990 Bonds. If a successor securities depository is appointed, that successor or its nominee will be treated by the Trustee and the City as the sole and exclusive Owner of such Series 1990 Bonds and, as in the case of M.S.T.C., the responsibilities and obligations of the Trustee and the City will be solely to that successor securities depository or its nominee and not to any participant in the successor or any person claiming a beneficial ownership interest in any such Series 1990 Bonds. If there is no successor securities depository, the City and the Trustee will be obligated to deliver certificates for such Series 1990 Bonds in physical form as described in the Indenture, and the Trustee and the City will cooperate to make such certificates available. If such certificates are issued, the provisions of the Indenture will apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates.

Effect on Series 1990 Bonds of Discontinuance. The following three paragraphs apply to the Series 1990 Bonds only when not in the Book-Entry System:

(a) The Series 1990 bonds will be issuable only as fully registered bonds in denominations which are integral multiples of $5,000. Exchanges and transfers will be made without charge to the Owners, except that, in each case the Trustee will require the payment by the Owner requesting exchange or transfer of any tax or governmental charge required to be paid with respect thereto.

(b) Principal of, and interest and redemption premium, if any, on the Series 1990 Bonds will be payable upon presentation and surrender when due at the principal corporate trust office of the Trustee. Interest on the Series 1990 Bonds will be payable by check or draft mailed to the Owners thereof at the close of business on the 15th day of May or November immediately before each Interest Payment Date (the "Record Date") or, at the option of any owner of not less than $500,000 principal amount of the Series 1990 Bonds, by wire transfer to any address in the continental United States on the applicable Interest Payment Date to the registered Owner as of the applicable Record Date, if such registered Owner provided the Trustee with written notice of such wire transfer address at least 15 days prior to such Record Date, (which notice may provide that it will remain in effect with respect to subsequent interest Payment Dates unless and until changed or revoked by subsequent notice).

(c) Each Series 1990 Bond will be dated and bear interest from the Interest Payment Date next preceding its date of authentication and delivery unless (i) it is authenticated and delivered before June 1, 1991, in which case it will be dated and bear interest from December 1, 1990, or (ii) it is authenticated and delivered on any Interest Payment Date, in which event it will be dated and bear interest from such date; provided, however, that if at any time interest due on such Series 1990 Bond has not been paid in full, then such Series 1990 Bond will be dated and bear interest from the date to which interest on such Series 1990 Bond shall have been paid in full.

Use Of Certain Terms In Other Sections Of This Official Statement. In reading this Official Statement it should be understood that while the Series 1990 Bonds are in the Book-Entry System, references in other sections of this Official Statement to Owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through M.S.T.C. and the Book-Entry System and (ii) notices that are to be given to Owner by the City or the Trustee will be given only to M.S.T.C. M.S.T.C. will be required to forward (or cause to be forwarded) the notices to the Participants by its usual procedures, so that such participants may forward (or cause to be forwarded) such notices to the Beneficial Owners.

Security For The Series 1990 Bonds.

Payments By The Airline Under The Agreement.

The Series 1990 Bonds are limited obligations of the City payable solely from Special Facility Revenues (as defined in the Indenture), which will be derived primarily from payments to be made by the Airline pursuant to the Agreement and the Guaranty. In order to provide for the payment of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds, the City will pledge and assign to the Trustee under the Indenture certain of its rights and interests under the Agreement, including the Special Facility Revenues and all moneys on deposit in the funds and accounts under the Indenture other than the Rebate Fund. The Airline will be required under the Agreement to make payments sufficient in amount to pay when due (whether at stated maturity, upon redemption or upon acceleration) the principal of and interest and redemption premium, if any, on the Series 1990 Bonds. The Series 1990 Bonds will not be secured by the Project. The Trustee, as assignee of certain of the City's rights under the Agreement, will not be entitled to exercise any rights of entry, re-entry, eviction, reletting, or any similar rights with respect to the Project, all such rights being exercisable solely by the City pursuant to the Site Lease, except to the extent of certain rights to cure certain defaults and replace the Airline with another tenant as provided in the Site Lease. The Airline will acknowledge in the Agreement that rents payable by any such replacement tenant shall be applied first to satisfy its obligations under the Site Lease and only the excess, if any, will be available for the payment of principal of and interest on the Bonds. The Airline will remain liable for its obligations under the Agreement and the Guaranty even if a replacement tenant is obtained for the Project. See "The Agreement -- Remedies", "The Site Lease -- Defaults and Remedies", "Bondholders Risks" and "Enforceability of Remedies".

Debt Service Reserve Fund.

The Trustee is required to deposit $_________ of the proceeds from the issuance of the Series 1990 Bonds into the Debt Service Reserve Fund established under the Indenture and maintain therein available funds in an amount equal to the Debt Service Reserve Requirement for the Series 1990 Bonds, which must equal the least of: (i) 10% of the original aggregate principal amount of the Series 1990 Bonds or (ii) the maximum amount of interest payable on the Series 1990 Bonds on any two consecutive Interest Payment Dates or (iii) the maximum amount permitted under the Code. Moneys in the Debt Service Reserve Fund must be deposited by the Trustee on any Interest Payment Date, or any other date on which interest on or principal of the Series 1990 Bonds is payable, in the Interest Account or the Principal Account in the Bond Fund, in that order, to the extent available, in an amount necessary, in each case, to provide moneys in such account in the Bond Fund, together with moneys already deposited therein, sufficient to pay interest on or the principal of the Series 1990 Bonds on such date. The Airline will be required under the Agreement to make payments to the Trustee sufficient to maintain the balance in the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Requirement for the Series 1990 Bonds. Moneys held in the Debt Service Reserve Fund as security for the Series 1990 Bonds will not be available to pay principal of or interest on any other series of Bonds.

The Airline will be permitted to satisfy the Debt Service Reserve Fund Requirement for the Series 1990 Bonds in whole or in part by depositing into the Debt Service Reserve Fund one or more irrevocable letters of credit or irrevocable surety bond policies issued by a bank or bond insurance company with one of the three highest credit ratings available from a Rating Agency (as defined in the Indenture). Such letters of credit or surety bond policies must have a term of at least five years and meet other requirements, including the availability of funds thereunder for all purposes for which moneys in the Debt Service Reserve Fund may be applied.

Additional Bonds.

In accordance with the Indenture, the City will be permitted to issue Additional Bonds without limitation as to amount, except as may be limited by law, for the purposes of (a) the payment or reimbursement of the costs of the Project or one or more additions thereto, or (b) the funding of any fund or account established under the Indenture. Under the Indenture, each series of Additional Bonds will be equally and ratably secured with the Series 1990 Bonds under the Indenture by the pledge of the Special Facility Revenues, except that moneys on deposit in the Debt Service Reserve Fund as security for the Series 1990 Bonds will not be available to pay principal of and interest on any other series of Bonds.

Issuance of Additional Bonds will be subject to a number of conditions set forth in the Indenture, including a provision that, at the time of issuance of such Additional Bonds, no event of default shall have occurred and remain continuing under the Indenture. Before the issuance of Additional Bonds, the Trustee and City must first receive certification by an Independent Airport Consultant (as defined in the City's 1983 Chicago-O'Hare International Airport General Airport Revenue Bond Ordinance) that the estimated rentals, debt service or other charges to be derived by the City under the Agreement will be at least sufficient to pay the principal of, premium, if any, and interest on, such Additional Bonds as they mature and become due, all costs of operating and maintaining the Project or additional project to be financed by such Additional Bonds and for which no mechanism for reimbursement has been established and all sinking and other reserve fund payment requirements required by the City's ordinance authorizing such Additional Bonds. See "The Agreement -- Assignment, Merger and Assumption of Obligations of the Airline; Ability of Airline to Incur Debt".

Limited Obligations.

The Series 1990 Bonds, together with interest thereon, will be limited obligations of the City giving rise to no pecuniary liability of the City nor a charge against its general credit or taxing power and will be payable solely from the Special Facility Revenues and other moneys pledged under the Indenture, and will be a valid claim of the respective Owners thereof only against the Bond Fund, the Construction Fund, the Debt Service Reserve Fund, the Special Facility Revenues and the moneys held by the Trustee under the Indenture. The Series 1990 Bonds will not be in any respect a general obligation of the City, nor are they payable in any manner from revenues raised by taxation. The Project will not be security for the Series 1990 Bonds, and the Series 1990 Bonds will not be secured by any other properties or improvements at the Airport or the Revenues (as defined in the City's General Airport Revenue Bond Ordinance) or any other revenues (other than Special Facility Revenues) derived by the City from the operation of the Airport generally.

The Guaranty.

The Owners of the Series 1990 Bonds are entitled to benefits of the Guaranty from the Airline to the Trustee, whereby the Airline will unconditionally guarantee to the Trustee for the benefit of the Owners of the Series 1990 Bonds payment of the principal and redemption price (including any premium) of and interest on the Series 1990 Bonds when and as due and payable. See "The Guaranty", "Bondholders' Risks" and "Enforceability of Revenues".

The Agreement.

The following statements are a summary of certain provisions of the Agreement and do not purport to be complete. Reference is made to the Agreement for the complete provisions thereof.

Issuance Of The Series 1990 Bonds.

The Agreement will provide that the City will issue the Series 1990 Bonds to provide moneys for deposit and application as described under the captions "Plan of Finance" and "The Indenture".

Payments.

Pursuant to the Agreement, the Airline will agree to pay to the Trustee amounts sufficient to pay when due the principal of and interest and redemption premium, if any, on the Series 1990 Bonds. Such payments will be made in the amounts and in the manner provided in the Indenture for the payment of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds whether at maturity, upon acceleration or upon redemption.

In addition, the Airline will agree to pay the reasonable expenses of the City incurred in connection with the City's duties and obligations under the Indenture and the reasonable fees and expenses of the Trustee in connection with the Series 1990 Bonds.

Obligations Absolute And Unconditional.

The Airline's obligations under the Agreement to pay the amounts due thereunder with respect to the Series 1990 Bonds will be absolute and unconditional and will not be subject to any defense other than payment or to any right of setoff, counterclaim, abatement or otherwise. See "Security for the Series 1990 Bonds -- Payment by Airline under the Agreement", "Bondholders' Risks" and "Enforceability of Remedies".

Assignment, Merger And Assumption Of Obligations Of The Airline; Ability Of Airline To Incur Debt.

Upon a valid assignment by the Airline of its rights under the Site Lease, the Airline will be permitted to assign the Agreement in whole or in part with the prior consent of the City, but without obtaining the consent of the Trustee, provided that (i) no assignment (other than as described in the next paragraph) will relieve the Airline from liability for any of its obligations under the Agreement or the Guaranty; (ii) the assignee will assume in writing the obligations of the Airline under the Agreement to the extent of the interest assigned; and (iii) the Airline will, at least five days prior to any such assignment, provide the City and the Trustee with written notice thereof.

The Airline will be permitted to consolidate with or merge into another corporation, provided that (i) the resulting, surviving or transferee corporation is a solvent corporation and assumes in writing all of the obligations of the Airline under the Agreement, and (ii) if such corporation is not organized and existing under the laws of the United States or any State or territory thereof or the District of Columbia, it delivers to the City an irrevocable consent to service of process and jurisdiction.

Neither the Site Lease, the Agreement, the Indenture nor the Guaranty will contain any restriction on the ability of the Airline to incur debt or, except as described in the preceding paragraphs, to sell or otherwise transfer any portion of its assets.

Tax Covenants.

The Airline will covenant that, so long as any of the Series 1990 Bonds remain outstanding, moneys on deposit in any Indenture fund in connection with the Series 1990 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 1990 Bonds or from any other source, will not be used in a manner which will cause the Series 1990 Bonds to be "arbitrage bonds" within the meaning of the Code.

The Airline will covenant that it will not knowingly take or authorize or permit, to the extent such action is within its control, any action to be taken with respect to the Project, or the proceeds of the Series 1990 Bonds, insurance, condemnation, or any other proceeds derived directly or indirectly in connection with the Project, which will result in the loss of the exclusion of interest on the Series 1990 Bonds from the federal gross income of the Owners of the Series 1990 Bonds under Section 103 of the Code (except for any Series 1990 Bond during any period that such Series 1990 Bond is held by a person referred to in Section 147(a) of the Code). The Airline also will not knowingly omit to take any action in its power which, if omitted, would cause the above result.

Defaults.

The Agreement will provide that the occurrence of any one or more of the following events shall constitute a "default" thereunder and each such default after the giving of notice, if any, the passage of time, if any, or the occurrence of an event, if any, specified below, shall constitute an "event of default":

(a) failure by the Airline to pay amounts with respect to principals of or interest or redemption premium, if any, on the Bonds when due, which failure continues for a period of five business days and results in an event of default under the Indenture attributable to the failure to pay principal of or interest or redemption premium, if any, on the Bonds when due;

(b) failure by the Airline to restore the required balance in the Debt Service Reserve Fund on the fifth business day after the Trustee notifies the Airline of such deficiency;

(c) any material breach by the Airline of any of its representations or warranties made in the Agreement or failure by the Airline to observe or perform any of its covenants, conditions, or agreements made on its part to be observed or performed under the Agreement, other than as referred to in paragraphs (a) and (b) above, for a period of 60 days after written notice specifying such breach or failure and requesting that it be remedied, from the Trustee, unless (i) the Trustee or, with regard to certain rights, the City, shall agree in writing to an extension of such time prior to its expiration, or (ii) if the breach or failure is such that it can be corrected but not within the applicable period, corrective action is instituted by the Airline within such period and is being diligently pursued; or

(d) certain events of bankruptcy, dissolution, liquidation or reorganization with respect to the Airline.

The foregoing provisions of paragraph (c) will be subject to the following limitations: If by reason of "force majeure" (as defined in the Agreement) the Airline is unable in whole or in part to carry out its agreements on its part contained in the Agreements, other than the obligations on the part of the Airline to make payments under the Agreement, the Airline will not be deemed in default during the continuance of such inability. The Airline will agree, however, to remedy with all reasonable dispatch the cause or causes preventing the Airline from carrying out its agreement; provided that the settlement of strikes, lockouts and other disturbances will be entirely within the discretion of the Airline and the Airline will not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of the opposing party or parties when such course is in the sole judgment of the Airline unfavorable to the Airline; and provided further that a breach of the covenants set forth in the Agreement with respect to the tax-exempt status of interest on the Bonds will not constitute an event of default subject to acceleration hereunder.

Remedies.

The Agreement will provide that, upon the occurrence and continuation of an "event of default", except as provided in the following paragraph with respect to Unassigned Rights, the Trustee, as assignee of the City, (a) shall declare all amounts payable under the Agreement to be immediately due and payable if concurrently with or prior to such declaration, the unpaid principal amount of the Bonds has been declared to be due and payable, and (b) may take whatever action at law or in equity may appear necessary or desirable to enforce the Agreement; provided that the Trustee, as assignee pursuant to the Indenture of certain of the City's rights under the Agreement, will not have or be entitled to exercise any rights of entry, re-entry, eviction, reletting, or similar rights with respect to the Project, all such rights generally being exercisable solely by the City pursuant to the Site Lease, except to the extent of certain rights to cure certain defaults and replace the Airline with another tenant as provided in the Site Lease. The Airline will acknowledge that rents payable by any such replacement tenant will be applied first to satisfy its obligations under the Site Lease and only the excess, if any, will be available for payment of its obligations under the Agreement with respect to payment of principal of and interest on the Bonds. The City and the Airline will agree that any such excess rents may be deemed Special Facility Revenues under the Indenture and the Agreement and, to the extent they are paid to the Trustee, shall be deposited in the Special Facility Revenue Fund established under the Indenture and credited against the amounts payable by the Airline pursuant to the Agreement.

Certain of the City's rights under the Agreement, including its rights to indemnity and to the payment of its expenses, will not be assigned to the Trustee ("Unassigned Rights") and will be enforceable by the City in its own name and for its own account. In the enforcement of such rights the City's remedies are limited to suits for damages and specific performance and the City may not cause acceleration of payments under the Agreement to enforce such rights.

The City will have no power to waive any default by the Airline under the Agreement, except a default with respect to Unassigned Rights (which the City may waive unilaterally), without the consent of the Trustee to such waiver. The Trustee will have power to waive any default by the Airline under the Agreement, except a default with respect to Unassigned Rights, without the prior written concurrence of the City. Notwithstanding the foregoing, if after the acceleration of the maturity of the outstanding Bonds by the Trustee pursuant to the Indenture, all arrears of interest on the outstanding Bonds and interest on overdue installments of interest (to the extent permitted by law) at the rate of interest borne by the Bonds and the principal of or interest or redemption premium, if any, on all Bonds then outstanding that have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of and the interest on such Bonds that by such acceleration shall have become due and payable, shall have been paid, any and all other events of default under the Indenture shall have been cured or waived in accordance with the provisions of the Indenture, there shall have been paid the reasonable fees and expenses of the Trustee and of the Owners of such Bonds, including reasonable attorneys' fees paid or incurred and such event of default under the Indenture shall be waived in accordance with the Indenture with the consequence that such acceleration under the Indenture is rescinded, then the Airline's default under the Agreement will be deemed to have been waived and its consequences rescinded and no further action or consent by the Trustee or the City shall be required. See "The Indenture -- Defaults".

Consent To Service Of Process And Jurisdiction; Waiver Of Sovereign Immunity.

The Agreement will include the Airline's consent to service of process and federal court jurisdiction in the Northern District of Illinois and the Airline also will waive any rights that it may now or hereafter have based upon principles of sovereign immunity, subject to its right to remove actions brought in other courts to federal court in the Northern District of Illinois.

Amendments.

The Agreement may be amended subject to the limitations contained in the Indenture. See "The Indenture -- Amendments to the Agreement".

The Site Lease.

The following statements are a summary of certain provisions of the Site Lease and do not purport to be complete. Reference is made to the Site Lease for the complete provisions thereof. The Project will not be security for the Series 1990 Bonds, and the Series 1990 Bonds will not be secured by any other properties or improvements at the Airport or the Revenues (as defined in the City's General Airport Revenue Bond Ordinance) or any other revenues (other than the Special Facility Revenues) derived by the City from the operation of the Airport generally. See " Security for the Series 1990 Bonds" and "The Guaranty".

General.

Pursuant to the Site Lease, the City will lease the Site and the improvements thereon to the Airline. The City will use reasonable efforts to deliver possession of the Site to the Airline upon completion of the service road and utilities serving the Site, which is projected to be completed by December 1, 1990, or upon such earlier date as the City and the Airline agree.

Construction Of Improvements.

After obtaining all required approvals, licenses, and permits, the Airline will construct the Project on the Site and such other related improvements as are appropriate and necessary for the Airline to conduct the business of air transportation of freight on the Site (the "Improvements"). The Improvements will be designed and constructed by the Airline in accordance with the provisions of the Site Lease. The Airline will pay its allocable share of the cost of the Improvements in certain common areas. The title to the Improvements, including the Project, will vest in the City.

Term.

The term of the Site Lease will be for a period commencing on the date on which the City delivers possession of the Site to the Airline (expected to occur no later than December 1, 1990) and terminating on May 11, 2018.

Use.

The Site Lease provides that the Site may be used by the Airline primarily for the business of the air transportation of freight. Non-cargo reservation offices and administrative offices may be located on the Site so long as such use is incidental to the primary use of air transportation of freight and does not become a primary or significant use. Passengers may be handled at the Site only in irregular operation situations.

Rent.

The Site Lease requires the Airline to pay to the City rent for the Site of $.45 per square foot per year, one-twelfth of which will be payable not later than first business day of each month. Up to $.10 per square foot of the rent paid by the Airline will be applied by the City to operation and maintenance expenses related to the common areas of the Airport's cargo area. Each year, the rent will be increased in proportion to that year's increase in the Producer Price Index (as defined in the Site Lease). The Airline also will pay to the City each month one-twelfth of its pro rata share of the City's costs of operating and maintaining certain common areas, in excess of an amount equal to $.10 per square foot of the Site.

Insurance.

The Site Lease provides that the Airline will maintain, at its own expense, workers' compensation and occupational disease insurance in amounts as required by the State of Illinois; commercial general liability insurance with limits of not less than $25 Million per occurrence, naming the City as an additional insured, and including contractual liability coverage, and if available at commercially reasonable rates, products/completed operation, independent contractors, explosion, collapse, underground, and pollution coverages; automobile liability insurance with limits of not less than $5 Million per occurrence, naming the City as an additional insured; all risk property insurance, in the amount of the full replacement value of the Site, naming the City as an additional insured; professional liability insurance for any architects or engineers who perform work in connection with the Improvements, with limits of $1 Million; and all risk builder's risk insurance during the construction of any improvements to the Site.

Pursuant to the Site Lease, the Commissioner of Aviation of the City (the "Commissioner") maintains the right to change these insurance requirements to address those risks that would be insured by prudent airport operators of a business similar to that operated on the Site by the Airline.

Taxes.

The Site Lease provides that the Airline will be responsible for paying directly to the appropriate taxing agency all applicable taxes levied against the Site. The Site Lease permits the Airline to contest such taxes, including those enacted or promulgated by the City.

Sublease, Assignment, Or Other Transfer Of Site.

The Airline generally may not, without the prior written consent of the Commissioner, which may be withheld in the Commissioner's sole and absolute discretion, sublet the Site or any part thereof, assign or transfer the Site Lease or allow it to be transferred, or permit the Site to be used or occupied for purposes not provided for in the Site Lease or by anyone other than the Airline.

The Airline may, with the prior written consent of the Commissioner, which may not be unreasonably withheld, sublet portions of the Site to any of its majority-owned subsidiaries engaged in the business of air transportation of freight, to any party subleasing space for the sole and exclusive purpose of providing handling services at the Site or limited amounts of space on the Site to any other party conducting the business of air transportation of freight at the Site.

Maintenance.

The Airline will be responsible for performing or causing to be performed maintenance and repair of the Improvements. The Airline will agree to replace any portion of the structure of any buildings on the Site that may be destroyed or need replacement due to use or wear and tear.

Utilities And Services.

The Site Lease provides that the Airline will be responsible for payment of all costs of water, electricity, natural gas, telephone services and all other utility services for the Site.

Defaults And Remedies.

If the Airline defaults in the prompt payment of rent or of any amount due under the Site Lease, and such default continues for 10 days after the same becomes due; or if the Airline defaults in performing any covenants or agreements under the Site Lease, and such default continues for 30 days after written notice is given to the Airline; or if the Airline files a petition in bankruptcy or certain other acts of insolvency occur; or if the Airline abandons or vacates the Site; then, with 60 days' advance notice the City may treat one or more of the foregoing events as a breach of the Site Lease, and may either terminate the Site Lease, in which case all rent will become immediately due, or terminate the Airline's right of possession and may repossess the Site by forcible entry and detainer suit, without terminating the Site Lease or releasing the Airline from payment of rent for the full term.

If the Airline defaults in its obligations as described above, the Trustee may cure such default within the provided time periods and replace the Airline with another tenant or tenants, subject to the prior written approval of the Commissioner. The rent payable by such replacement tenant will be applied first to satisfy the Airline's obligation under the Site Lease and the excess, if any, will be payable to the Owners of the Bonds.

If the City defaults in the performance of any material covenant or agreement under the Site Lease or in any other agreement between the City and the Airline relating to the Site and fails to remedy such default, or to take prompt action to remedy such default, within a period of 60 days after receipt from the Airline of notice to remedy the same, then the Airline may terminate the Site Lease, provided the Airline is not at such time in default in the payment of any amount due from it to the City and there are no other contrary restrictions on such termination in the Site Lease or any other document related to the Site.

Termination By Airline.

If the Airline is not at the time in default in the payment of any amount due from it to the City or in default of any other material obligation under the Site Lease and neither the Site Lease nor any other document related to the Site contains any contrary restrictions, the Airline may terminate the Site Lease if its business or operations are inhibited by certain governmental authorities or by court injunction. A termination of the Site Lease by the Airline will not affect the Airline's obligations under the Agreement or the Guaranty.

Release And Indemnification.

The City will not be liable to the Airline, or the Airline's agents, representatives or employees, for any injury, death, or property damage caused by any third person in the maintenance, construction or operation of facilities at the Airport, or caused by the City or any third person using the Airport, unless due to the negligence of the City. The City will not be liable to the Airline for damage to the property of the Airline or any loss of revenues to the Airline resulting from the City's acts or omissions in the maintenance and operation of the Airport except those caused by the negligence or willful misconduct of the City.

The Airline generally will indemnify and hold the City harmless against liability resulting from injury or death or property damage, except to the extent caused by the negligence of the City, arising out of the condition of the Site or arising directly from, or in any way occurring in connection with any work done by or at the direction of the Airline for the benefit of the Site.

Amendments.

The Site Lease may be amended by the parties thereto without the consent of the Trustee or the Owners of the Series 1990 Bonds.

The Indenture.

The following is a summary of certain provisions of the Indenture and does not purport to be complete. Reference is made to the Indenture for the complete provisions thereof.

Pledge And Security.

Pursuant to the Indenture, (i) the Agreement, together with all the City's interest therein (except for Unassigned Rights), and (ii) all payments to be received by the City under the Agreement (other than with respect to Unassigned Rights) and all investment earnings thereon will be assigned and pledged to the Trustee to secure the payment of the Bonds.

Application Of Construction Fund.

As described under the caption "Plan of Finance", a portion of the net proceeds of the Series 1990 Bonds will be deposited in the Construction Fund established under the Indenture. The Construction Fund will include the following accounts: (i) the Costs of Issuance Account; (ii) the Capitalized Interest Account; and (iii) the Construction Account. Moneys held in the Capitalized Interest Account will be used for the purpose of paying interest, other than accrued interest, on the Series 1990 Bonds before the completion of the Project. Moneys in the Construction Account will be applied pursuant to the Agreement to the payment of the costs of the Project.

The Airline will covenant to complete the acquisition and construction of the Project as soon as practicable. The completion of the Project will be evidenced by the submission by the Airline to the Trustee of a completion certificate. Moneys remaining in the Construction Fund at the time such certificate is delivered may be (i) used to pay any cost of the Project or any additions thereto, as the case may be, not then due and payable, (ii) transferred to the Principal Account in the Bond Fund created under the Indenture and applied (A) to the redemption of Bonds on the earliest practicable redemption date permitted or (B) for the payment of principal of the Bonds (subject to receipt of an approving opinion of Bond Counsel as defined in the Indenture), (iii) transferred to the Construction Account in the Construction Fund and applied to the costs of other additions to the Project, subject to receipt of an approving opinion of Bond Counsel, or (iv) transferred to (A) the Interest Account in the Bond Fund or (B) the Capitalized Interest Account in the Construction Fund and applied to the payment of interest on the Bonds (subject to receipt of an approving opinion of Bond Counsel).

Application Of Special Facility Revenue Fund.

Payments made by the Airline under the Agreement (except for certain payments to the City and the Trustee) and under the Guaranty will be remitted directly to the Trustee for the account of the City and deposited in the Special Facility Revenue Fund established under the Indenture. Moneys in the Special Facility Revenue Fund will be disbursed by the Trustee to the Bond Fund, the Debt Service Reserve Fund and the Rebate Fund as provided in the Indenture.

Application Of Bond Fund.

The Bond Fund, into which will be deposited (i) accrued interest on the Bonds to the date of their delivery, (ii) the amounts derived under the Agreement with respect to the payment of principal of and interest and redemption premium, if any, on the Bonds, (iii) certain amounts transferred from the Construction Fund and the Debt Service Reserve Fund and (iv) certain other amounts specified in the Indenture, will be maintained with the Trustee. Moneys in the Bond Fund will be used solely for the payment of the principal of and interest and redemption premium, if any, on the Bonds.

All moneys required to be paid to the Trustee for the account of the Bond Fund will be held by the Trustee in trust and, except for moneys for the redemption of Bonds, notice of the redemption of which has been duly given or waived, will be part of the trust estate and will be subject to the lien of the Indenture.

Debt Service Reserve Fund.

As described under the caption "Security for the Series 1990 Bonds -- Debt Service Reserve Fund", a portion of the net proceeds of the Series 1990 Bonds will be utilized to fund the Debt Service Reserve Fund established under the Indenture, which thereafter must be maintained in an amount equal to the Debt Service Reserve Requirement for the Series 1990 Bonds.

Rebate Fund.

The Rebate Fund will be established under the Indenture and will be maintained as a separate fund free and clear of the lien of the Indenture. The Trustee will be permitted to transfer moneys on deposit in any of the funds or accounts established under the Indenture in order to satisfy the Airline's rebate obligations to the United States of America.

Investments.

Any moneys held as part of the Bond Fund, the Construction Fund, the Debt Service Reserve Fund or the Special Facility Revenue Fund will be invested by the Trustee at the direction of the Airline as provided in the Indenture. Neither the Trustee nor the City will be responsible or liable for any loss resulting from any such investments or resulting from the sale of such investments as authorized under the Indenture.

The Airline will covenant in the Agreement that no moneys on deposit in any fund or account in connection with the Bonds, and the City, to the extent it has any control over the use of Bond proceeds, will covenant in the Indenture that no moneys held thereunder will be used in any manner that would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code.

Non-Presentment Of Bonds.

In the event any Bond is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if moneys sufficient to pay such Bond have been deposited in the Bond Fund, all liability of the City to the Owner thereof for the payment of such Bond will cease. The Trustee will hold such moneys, without liability for interest, for the benefit of the Owner of such Bond who will thereafter be restricted exclusively to such moneys. Such moneys will be held in a separate and segregated fund and will not be invested. Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds for at least two years after the date on which the Bonds have become due will, at the Airline's direction, be paid by the Trustee to the Airline. Thereafter, Owners will be entitled to look only to the Airline for payment, but only to the extent of the amount so repaid to the Airline. The Airline will not be liable for any interest thereon and will not be regarded as a trustee of such moneys.

The obligation of the Trustee to pay any such funds to the Airline will be subject, however, to any provisions of law applicable to the Trustee or to such funds setting forth requirements for disposition of unclaimed property.

Defaults.

The Indenture will provide that the occurrence of any one or more of the following events will constitute a "default" under the Indenture and each such default, after the giving of notice, if any, the passage of time, if any, or the occurrence of an event, if any, specified below, will constitute an "event of default":

(a) failure to make payment of any installment of interest on any Bond when due and payable;

(b) failure to make due and punctual payment of the principal of any Bond when the same shall have become due and payable, whether at the stated maturity thereof, upon redemption thereof or upon the maturity thereof by declaration;

(c) the occurrence of an "event of default" under the Agreement as described in paragraphs (b) or (c) under the caption "The Agreement -- Defaults", other than events of default relating to the City's Unassigned Rights; or

(d) the occurrence of certain events of bankruptcy, dissolution, liquidation or reorganization relating to the Airline, as described in paragraph (d) under the caption "The Agreement -- Defaults".

If an event of default under (a), (b) or (c) above has occurred and is continuing, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then outstanding shall, by notice in writing to the City and the Airline, and upon the occurrence and continuation of any event of default described under (d) above without notice to the Airline, declare the principal of all of the Bonds outstanding, plus the accrued interest to the date of acceleration, to be due and payable immediately.

Upon the occurrence of an event of default, the Trustee also may pursue any remedy available to it at law or in equity by suit, action, mandamus or other proceedings to enforce the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Trustee may rescind an acceleration and its consequences if (i) all existing events of default have been cured or waived, (ii) all payments due the Trustee together with reasonable fees and expenses of the Trustee and Owners of the Bonds have been made and (iii) if such acceleration was at the request of the Owners of not less than 25% in aggregate principal amount of outstanding Bonds, the Owners of a majority in aggregate principal amount of outstanding Bonds consent.

The Trustee may in its discretion waive any event of default under the Indenture and rescind its consequences and shall do so upon the written request of the Owners of not less than a majority in aggregate principal amount of all outstanding Bonds; provided that there shall not be waived any event of default in the payment of the principal of or interest or redemption premium, if any, on any Bonds unless prior to such waiver and rescission all amounts in default, together with reasonable expenses of the Trustee and of the Owners of such Bonds, including reasonable attorneys' fees paid or incurred, shall have been paid or provided for.

The Owners of a majority in aggregate principal amount of the Bonds then outstanding will have the right, by written instrument delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings to be taken by the Trustee under the Indenture, but the direction must comply with law and the Indenture.

No Owner of any Bond will have the right to pursue any remedy under the Indenture or the Bonds unless (i) an event of default has occurred and is continuing of which the Trustee has been notified or is deemed to have or is required to take notice as provided in the Indenture, (ii) the Owners of at least 25% in aggregate principal amount of the Bonds outstanding have made written request to the Trustee to pursue such remedy and have provided the Trustee with indemnity as provided in the Indenture and (iii) the Trustee does not comply with such request within 60 days after receipt of such request and offer of indemnity.

Supplemental Indentures.

The Indenture will provide that the City and the Trustee may, without notice to or the consent of any Owner of the Bonds, enter into supplemental indentures for any of the following purposes:

(a) to create and provide the applicable terms and conditions with respect to any series of Bonds in addition to the Series 1990 Bonds;

(b) to add to the covenants and agreements of, and limitations and restrictions upon, the City in the Indenture other covenants, agreements, limitations and restrictions to be observed by the City that are not contrary to or inconsistent with the Indenture as theretofore in effect;

(c) to grant to or confer or impose upon the Trustee for the benefit of the Owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted, conferred or imposed and that are not contrary to or inconsistent with the Indenture as theretofore in effect;

(d) to cure any ambiguity, defect or omission in or to cure, correct or supplement any defective provisions of the Indenture or otherwise correct or supplement the Indenture in such manner as will not materially impair the security of the Indenture or adversely affect the Owners of the Bonds;

(e) to evidence the appointment of a separate Trustee or a co-trustee, authenticating agent or co-bond registrar, or to evidence the succession of a new Trustee;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as amended;

(g) to subject to the Indenture additional revenues, properties or collateral;

(h) to provide for a paying agent in addition to the Trustee;

(i) to change the definition of "Investment Securities" under the Indenture; or

(j) to make any other change that shall not be to the material prejudice of the Owners of the Bonds or the Trustee.

The Owners of not less than a majority in aggregate principal amount of the outstanding Bonds will have the right to consent to the execution by the City and the Trustee of any other supplemental indentures except that no supplemental indenture shall:

(a) extend the maturity of the principal of or the interest on any Bond;

(b) reduce the principal amount of, the rate of interest on or the amount of premium payable on the redemption of, any Bond; or

(c) effect a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or

(d) reduce the principal amount of Bonds required for consent to any such supplemental indenture.

Any supplemental indenture that affects any rights or obligations of the Trustee under the Indenture will not become effective without the consent of the Trustee.

Amendments To The Agreement.

The City and the Airline may, with the written consent of the Trustee, but without the consent of or notice to the Owners of the Bonds, enter into any amendment of the Agreement as may be required (i) by the provisions of the Agreement or the Indenture, (ii) to make any changes in the Agreement, including, without limit, any change for the purpose of curing any ambiguity, formal defect or formal omission, provided that such change does not materially prejudice the Owners of the Bonds, or (iii) to add additional rights acquired in accordance with the provisions of the Agreement. Amendments to the exhibits to the Agreement may be made without the consent of the Owners or the Trustee. Neither the City nor the Airline will enter into any amendment of the Agreement other than as provided above without the mailing of notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the outstanding Bonds; provided that nothing in the Indenture shall permit an extension of the time of payments due or reduction in the amounts payable under the Agreement with respect to the principal of or interest or redemption premium, if any, on the Bonds.

Discharge Of Indenture.

The Indenture will provide that, if the City pays or causes to be paid, or there is otherwise paid or provision for payment is made by the deposit of moneys or Governmental Obligations (defined below) to or for the benefit of the Owners of the Bonds, the principal of or interest or redemption premium, if any, due or to become due thereon, and if, the City pays or causes to be paid to the Trustee all sums of money due or to become due according to the provisions of the Indenture, then the estate and rights granted by the Indenture will cease and be void and the lien of the Indenture will be discharged and defeased. After that. Owners of the Bonds must look only to such deposited moneys and/or Governmental Obligations for payment of principal of or interest or redemption premium, if any, on the Bonds.

"Governmental Obligations" means (i) any bonds or other obligations of the United States of America that as to principal and interest constitute direct obligations of the United States of America for the full and timely payment of which are unconditionally guaranteed by the United States of America, are noncallable and at the time of investment are legal investments under the laws of the State of Illinois for the moneys proposed to be invested therein or (ii) securities or receipts evidencing ownership interests in obligations or portions thereof (such as principal or interest) of obligations described in clause (i).

The Guaranty.

The following statements are a summary of certain provisions of the Guaranty and do not purport to be complete. Reference is made to the Guaranty for the complete provisions thereof.

Guaranty Of The Bonds.

The Airline will execute and deliver to the Trustee the Guaranty, pursuant to which it will unconditionally guarantee to the Trustee for the benefit of the Owners of the Series 1990 Bonds: (i) the full and prompt payment of the principal of the Series 1990 Bonds when due, whether at the stated maturity thereof or upon mandatory or optional redemption or otherwise, and (ii) the full and prompt payment of interest and redemption premium, if any, on the Series 1990 Bonds when due. The obligations of the Airline will be unconditional and will remain in effect until the entire principal of and interest on the Series 1990 Bonds shall have been paid in full or such Series 1990 Bonds have been duly redeemed.

Consent To Service Of Process And Jurisdiction; Waiver Of Sovereign Immunity.

The Guaranty will include the Airline's consent to service of process and federal court jurisdiction in the Northern District of Illinois and the Airline also will waive any rights that it may now or hereafter have based upon principles of sovereign immunity, subject to its right to remove actions brought in other courts to federal court in the Northern District of Illinois.

Bondholders' Risks.

Certain Risks Related To The Airline.

The primary source of the payments of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds will be the payments made by the Airline under the Agreement. See "Security for the Series 1990 Bonds -- Payments by the Airline under the Agreement". There is no assurance that the Airline will be able to meet all of its obligations under the Agreement or the Site Lease throughout their terms.

The Airline experienced a loss for the first six months of 1990. For information concerning the business and financial condition of the Airline, see "Appendix A -- Lufthansa German Airlines", and the documents referred to therein. The information included and referred to in Appendix A has been furnished by the Airline. The City has made no independent investigation or verification of the information or opinions contained in Appendix A or to which reference is made therein. The City and the Underwriters do not represent or warrant that such information is accurate or complete for any purpose.

As described under the captions "The Agreement -- Remedies" and "The Site Lease -- Defaults and Remedies", if the Airline defaults on its obligations under the Site Lease, the Trustee may replace the Airline with another tenant and the rent payable by such replacement tenant will be applied first to satisfy the Airline's obligations under the Site Lease and the excess, if any, will be payable to the Owners of the Bonds. While the Airline's obligations under the Agreement and the Site Lease will continue even if a replacement tenant is found, there is no assurance that a replacement tenant could be found, or that the rents paid by such replacement tenant would be sufficient to make payments of principal of and interest and redemption premium, if any, on the Series 1990 Bonds.

Bankruptcy Issues.

See "Enforceability of Remedies" for a discussion concerning certain bankruptcy risks related to the Series 1990 Bonds.

Possible Loss Of Tax-Exempt Status.

In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, except as to Series 1990 Bonds held by a "substantial user" or a "related person." See "Tax Matters". If the Series 1990 Bonds are finally determined to be taxable, the Series 1990 Bonds will be subject to mandatory redemption as described under the caption "The Series 1990 Bonds -- Redemption Prior to Maturity -- Mandatory Redemption Upon Determination of Taxability". There will be no adjustment of the rate at which the Series 1990 Bonds bear interest, and the Owners will not be indemnified against losses sustained as a result of the interest on the Series 1990 Bonds' ceasing to be excluded from gross income for federal income tax purposes.

Enforceability Of Remedies.

The remedies available to the Trustee, the City and the Owners of the Series 1990 Bonds upon an event of default under the Agreement or the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the Agreement and the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 1990 Bonds will be qualified as to the enforceability of the various instruments by limitations imposed by principles of equity and by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

If a proceeding is commenced under the United States Bankruptcy Code (the "Bankruptcy Code") with respect to the Airline, a bankruptcy court might determine that the Agreement is an executory contract pursuant to Section 365 of the Bankruptcy Code. In that event, a trustee in bankruptcy or a debtor-in-possession might reject the Agreement. Under the Bankruptcy Code, any rejection of the Agreement could result in a claim for damages, which claim would rank as that of a general unsecured creditor. The amount of such claim could be limited to the amounts payable under the Agreement, without acceleration, for the greater of one year or 15% of the remaining term of the Agreement, but not in excess of three years, following the date of the commencement of the bankruptcy case, plus any delinquent payments under the Agreement, without acceleration, as of the commencement date. Moreover, the ability of the Trustee to recover on the Guaranty could be limited or restricted under the Bankruptcy Code. Certain bankruptcy courts have held in situations where lessees also have guaranteed their payment obligations that the guaranties will not be enforced to allow the claimant to recover more than the statutory limit of damages under executory contracts. A bankruptcy court similarly could consider the Guaranty to be part of an overall leasing transaction, in which case the Trustee could have only a limited ability to recover against the Airline on account of the Guaranty. Further, the Trustee's claim against the Airline on the Guaranty could be disallowed by the bankruptcy court if it found such claim to be duplicative of claims made by the City against the Airline.

Litigation.

Except for those matters described below, there is no litigation pending or threatened against the City relating to the Airport other than various legal proceedings arising out of the ordinary course of business of the Airport and having no material impact on the financial condition of the Airport. Upon the delivery of the Series 1990 Bonds, the City will furnish a certificate to the effect that, among other things, there is no litigation pending in any court seeking to restrain or enjoin the issuance or delivery of the Series 1990 Bonds, or in any way contesting the validity or enforceability of the Series 1990 Bonds the Agreement or the Lease.

Two lawsuits are pending against the City in the United States District Court for the Northern District of Illinois, each concerning the City's regulation of ground transportation to and from the Airport. The complaints allege, among other things, violations of the Sherman Antitrust Act and seek damages and certain other relief relating to such regulation.

The following three lawsuits against the City contain claims based on noise and other effects of aircraft operations arising out of the operation of the Airport. These lawsuits are more fully described as follows:

1. *Bieneman v. City of Chicago, et al.* (United States District Court for the Northern District of Illinois) No. 84 C 10388. This civil action, filed December 4, 1984, as a class action on behalf of all people affected by the Airport sought damages for personal injuries and property damage allegedly resulting from operations at the Airport, primarily from noise and air pollution associated with airplane operations. The complaint, as amended, alleged that the class of plaintiffs included "several hundred thousand members" and alleged damages related to civil rights claims in an amount in excess of $10,000 for each member. Punitive damages and awards based upon inverse condemnation were also sought. Plaintiff also sought an injunction requiring implementation of alternatives to increased aircraft operations at the Airport and requiring mitigation measures at the Airport to reduce the continuing injuries which plaintiff claimed. The personal injury count was based on the Civil Rights Act, 42 U.S.C. Section 1983. The property damage claim is based on the theory of inverse condemnation. Another count sought relief against various airline defendants. Relief was also sought on a variety of other state law and constitutional theories. By memorandum opinion and order dated June 8, 1987, the district court granted the City's motion to dismiss. Plaintiff appealed this judgment to the United States Court of Appeals. On February 3, 1988, the United States Court of Appeals dismissed this

appeal for lack of jurisdiction because the District Court had not disposed of the class allegations. On June 24, 1988, the District Court ruled that the suit cannot be maintained as a class action and entered a final judgment order dismissing the case. On December 13, 1988, the United States Court of Appeals affirmed the judgment of the District Court to the extent that it found all claims under the United States Constitution to be barred, rejected claims under 42 U.S.C. Section 1983 and held that class certification should be denied, but vacated the District Court judgment to the extent that it held that claims under state law are preempted, and remanded the case to the District Court with instructions to relinquish jurisdiction so that the plaintiff "may pursue his state-law contentions in state court". The effect of the Court of Appeals decision is complete dismissal of this case on all grounds. The court's holding with respect to preemption leaves open the possibility that the plaintiff in this case can proceed to state court and seek damages there under state tort law theories. The United States Supreme Court denied certiorari and litigation is concluded.

2. *Biddison v. City of Chicago, et al.* (United States District Court for the Northern District of Illinois) No. 85 C 10295. On December 11, 1985, plaintiff filed an eight-count complaint against the City, officials of the City and seven domestic airlines which is virtually the same as the first amended complaint in *Bieneman*. Plaintiff seeks unspecified actual damages against the City in excess of $10,000. On June 8, 1987, by memorandum opinion and order, the District Court granted the City's motion to dismiss all claims except as to the count based upon an inverse condemnation claim. As to this count, the City has filed a motion for summary judgment based upon the statute of limitations. On July 28, 1989, the District Court granted the City's motion for summary judgment, and dismissed all remaining counts of the complaint. As a result, all proceedings in the District Court in this case have been concluded. Plaintiff has appealed to the U. S. Court of Appeals for the Seventh Circuit from the District Court's order granting summary judgment for the City. The matter has been briefed by the parties. Oral arguments were heard on October 2, 1990. No date has been set for decision.

3. *People of the State of Illinois ex rel. James E. Ryan, State's Attorney of DuPage County, et al. v. The City of Chicago, et al.* (Circuit Court for the Eighteenth Judicial Circuit, DuPage County, Wheaton, Illinois) No. 89 MR 0314. This Complaint for Declaratory Judgment, Damages and Other Relief was filed on June 12, 1989, by the People of the State of Illinois by the State's Attorney, the Regional Board of School Trustees of Du Page County, the Superintendent of Schools of Du Page County and several Du Page County school districts. The defendants are the City and six of the airlines which provide service at the Airport. The complaint has 11 counts alleging deprivation of students' rights to education, interference with and impairment of statutory and regulatory obligations, continuing nuisance,

taking of property in violation of the Constitution of Illinois, and damaging of property. The suit also seeks a declaratory judgment that certain defenses relied upon by the City in prior litigation are invalid. In addition to declaratory relief, damages in excess of $1,000,000 are claimed and injunctive relief is requested. On August 30, 1989, the City filed a motion to dismiss the seven counts of the Complaint seeking relief against the City (the airline defendants have filed a motion to dismiss the counts seeking relief against them). On October 9, 1989, the City filed its brief in support of its motion to dismiss. Plaintiff's brief was filed on March 30, 1990. The City's reply brief was filed on April 30, 1990. The City's motion has been set for hearing on September 18, 1990. No date for decision has been set. On May 16, 1990, United Airlines, a co-defendent in the case, filed a motion for change of venue, which motion was denied on August 21, 1990, without prejudice to the refiling of the motion at a later time.

The *Biddison* and *Ryan* suits will be vigorously defended by the City. As of the date of this Official Statement, however, the City and its Special Counsel, Hopkins & Sutter, are unable to predict whether such litigation might result in the delay, modification or prevention of the implementation of the Project or the Airport Development Plan, or might result in substantial changes in the operation of the Airport or the flight operations it will handle, or whether any damages will be awarded against the City and the Airline defendents, or if such damages are awarded, the amount thereof. A judgment in the amounts claimed in these lawsuits would not have a substantial impact on the various Airport fees and charges, but if the principles of law on which Plaintiffs' claims are based are established by the courts, subsequent lawsuits based on those principles could result in aggregate damages which could have a substantial impact on the various fees and charges. The airline defendents are responsible for defending these lawsuits and for reimbursing the City for any resulting judgment.

In addition, there are, from time to time, lawsuits which arise out of the various construction contracts entered into in connection with various construction projects at the Airport.

Regulatory Proceedings And Proposed State Actions.

Federal Aviation Administration.

Since 1969, the Airport has operated under the F.A.A.'s "High Density Rule", which imposed limits on hourly aircraft operations. The F.A.A. amended the Rule effective June 1, 1984, increasing the number of operations permitted at the Airport from 135 operations per hour to 155 operations per hour while extending the hours during which restrictions are applicable. The amendment also resulted in a modification of the allocation of hourly operations among the three classes of users -- air carriers, commuter airlines and other categories. The F.A.A. has the power to regulate the number of operations at the Airport by various means in addition to the High Density Rule and has from time to time exercised those powers. It is not possible to predict whether, or the extent to which, the F.A.A. may from time to time modify, replace or remove operational limits applicable to the Airport.

Proposed State Actions.

A regulatory proceeding considering the issuance of proposed aircraft noise regulations was begun in 1977 and is still pending before the Illinois Pollution Control Board. On April 10, 1986, the Board issued a Proposed Opinion and Order of the Board which includes definitive proposed regulations. The Board may or may not adopt these regulations in the form proposed. However, if enacted in their present form, the proposed regulations could severely restrict operations at the Airport. The City's Special Counsel, Hopkins & Sutter, is of the opinion that the proposed regulations in their present form raise significant issues under existing case law and that portions of the proposed regulations may be found unenforceable by state or federal courts.

In 1988 the Illinois Department of Transportation ("I.D.O.T.") proposed to locate the planned Elgin-O'Hare expressway along the southwestern boundary of the Airport. Through November, 1989, I.D.O.T. and the City discussed the preferred alignment that the expressway should take. The City would not accept any alignment that would compromise or preclude future Airport development options. No agreement was reached regarding the Elgin-O'Hare expressway proposal. Although discussions are presently suspended, they are expected to revive at some time in the future. The resolution of this matter will not have an impact on completion of the Airport Development Plan.

Proposed Airport Oversight Board.

The Illinois General Assembly has in recent sessions considered, but failed to adopt, various proposed bills which, if adopted, would have created an airport authority with membership comprised of suburban and City representatives and having certain oversight authority over the Airport, or which would have had the effect of restricting operations at the Airport. Similar legislation can be expected to be introduced in future sessions of the

General Assembly. It is expected that the City will continue to oppose such legislation.

Third Airport Feasibility.

In July 1988, a study (the "1988 Study") sponsored by I.D.O.T., was completed concerning the advisability and feasibility of either constructing an additional airport or expanding an existing airport to service the Chicago Region. The 1988 Study concluded that unless an additional airport is built, a portion of total passenger demand in the Chicago Region by (or before) the year 2020 will not be accommodated at the City's airports. In order to evaluate the preliminary recommendation of the 1988 Study, I.D.O.T., in conjunction with the Federal Aviation Administration, has selected a consultant to conduct a second study relative to a site selection and master plan for a third airport (the "Site Study"). This Site Study will include a review of the forecasts of aviation demand developed in the 1988 Study and will include a report to a committee comprised of representatives of Illinois, Indiana and the City of Chicago as a result of the July 1990 Memorandum of Understanding (the "Bi-State Committee") which will evaluate the consultant's report taking into consideration environmental, financial feasibility, airspace, human resource implications, ground access, cost, and service capability factors and make a recommendation on a final site.

In February 1990, the City, on the basis of a feasibility study commissioned by the City, announced its support for the construction of a third commercial airport in the Lake Calumet area on the City's southeast side, approximately 14 miles southeast of the City's central business district. The Lake Calumet airport may replace Midway Airport as a commercial air carrier facility and is anticipated to service domestic and international passenger and cargo traffic on a scale similar to that of the Airport. The Lake Calumet airport is projected to begin operations in the year 2010. It is not possible to predict at this time what impact the Lake Calumet airport might have on the Airport.

On July 10, 1990, the States of Illinois and Indiana and the Cities of Chicago, Illinois and Gary, Indiana, in cooperation with the U.S. Department of Transportation, jointly announced the expansion of the membership of the Bi-State Committee from eight to twelve members with three of the additional members being selected by the City of Chicago and the fourth member, who will serve as Committee chairman, being selected by the unanimous agreement of the Governors of Illinois and Indiana and the Mayor of Chicago. In addition, it was announced that the Site Study will now include in its evaluation the City's Lake Calumet airport site, along with the four other sites previously identified as possible locations for a third airport in the Chicago Region.

Tax Matters.

Tax Exemption.

Co-Bond Counsel are of the opinion that under existing statutes, regulations and judicial decisions, the interest on the Series 1990 Bonds is excludable from the gross income of the Owners thereof for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on any Series 1990 Bond during any period while a Series 1990 Bond is held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. It should be noted, however, that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and the environmental tax imposed on corporations prior to January 1, 1992 under Section 59A of the Code. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City and Airline comply with the Code and all of their representations, warranties and covenants set forth in the Indenture and the Arbitrage Compliance Agreement dated as of October 1, 1990 between the Airline, the City and the Trustee that must be satisfied subsequent to the issuance of the Series 1990 Bonds in order that interest thereon be, or continue to be, excludable from the gross income of the Owners thereof for federal income tax purposes. In the opinion of Co-Bond Counsel, the Code, other applicable law and such representations, warranties and covenants establish procedures which, if followed, enable interest on the Series 1990 Bonds to be, and continue to be, excludable from the gross income of the Owners thereof for federal income tax purposes. Failure to comply with the Code, other applicable law and such representations, warranties and covenants may cause the interest on the Series 1990 Bonds to become includible in the gross income of the Owners thereof for federal income tax purposes retroactively to the date of issuance of the Series 1990 Bonds. In that event, the Indenture does not contain any provisions for acceleration of the Series 1990 Bonds nor provide that any additional interest or penalty be paid to the Owners of the Series 1990 Bonds. However, the Series 1990 Bonds will be subject to mandatory redemption, in whole or in part, upon a determination of taxability as described under the caption "The Series 1990 Bonds -- Redemption Prior to Maturity -- Mandatory Redemption Upon Determination of Taxability". Further, in the opinion of Co-Bond Counsel, under the laws of the State of Illinois as presently enacted and construed, interest on the Series 1990 Bonds and any gain from the sale thereof are not exempt from Illinois income tax. In rendering their opinions, Co-Bond Counsel will rely in part on the City's election to apply the provisions of Section 1317(5)(B) of the Tax Reform Act of 1986 to the Series 1990 Bonds. Section 1317(5)(B) permits up to $500,000,000 of bonds to be issued for improvements at the Airport without regard to certain restrictions otherwise applicable to bonds issued for airport purposes on or after August 15, 1986. Co-Bond Counsel express no opinion regarding other federal tax consequences arising with respect to the Series 1990 Bonds. Co-Bond Counsel are further of the opinion that interest on the Series 1990 Bonds is not exempt from Illinois income tax. See "Appendix B -- Form of Opinion of Co-Bond Counsel".

The City will agree in the Indenture (1) not to take any action, or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, would cause interest on the Series 1990 Bonds to become includible in the gross income of the Owners of the Series 1990 Bonds for federal income tax purposes, other than an Owner who is a "substantial user" or "related person" within the meaning of Section 147(a) of the Code, and (2) not to take any action, or omit to take any action with respect to the investment of the proceeds of the Series 1990 Bonds that would result in causing the Series 1990 Bonds to constitute "arbitrage bonds" within the meaning of Sections 103(b)(2) or 148 of the Code.

Other Tax Matters.

Prospective purchasers of the Series 1990 Bonds should also be aware that (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or contained to purchase or carry the Series 1990 Bonds or, in the case of a financial institution, that portion of an Owner's interest expense allocated to interest on the Series 1990 Bonds, (ii) life insurance companies must include tax-exempt interest in computing the amount of income or deductible expense for federal income tax purposes with respect to certain insurance reserves and with respect to property and casualty insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Series 1990 Bonds, (iii) for taxable years ending after December 31, 1986, in the case of banks and certain other financial institutions, the determination of the amount of interest expense attributable (and therefore not deductible) to ownership of tax-exempt obligations such as the Series 1990 Bonds is generally based upon the ratio of the taxpayer's average adjusted basis in tax-exempt bonds to the average adjusted basis for all assets of the taxpayer, (iv) interest on the Series 1990 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (v) passive investment income, including interest on the Series 1990 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than 25 percent of the gross receipts of such Subchapter S corporation is passive investment income, and (vi) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining taxability of such benefits, receipts or accruals of interest on the Series 1990 Bonds. Co-Bond Counsel express no opinion as to any collateral federal income tax consequences and prospective purchasers of the Series 1990 Bonds should consult their tax advisors as to the applicability of these or any other collateral consequences.

Certain Legal Matters.

Legal matters incident to the authorization, issuance and sale by the City of the Series 1990 Bonds are subject to the approving legal opinions of Burke, Wilson & McIlvaine, Chicago, Illinois, and John H. Stroger, Jr., Esq., Chicago, Illinois, Co-Bond Counsel. The proposed form of the opinions of Co-Bond Counsel is included as Appendix B, and the final opinions will be delivered with the Series 1990 Bonds.

Certain legal matters will be passed upon for the City by the Corporation Counsel of the City and by Hopkins & Sutter, Chicago, Illinois, Special Counsel to the City, for the Underwriters by their co-counsel, Gardner, Carton & Douglas, Chicago, Illinois, and Richard H. Newhouse, Jr., Chicago, Illinois, and for the Airline by Arthur Molins, Manager Legal Affairs/U.S.A. of the Airline, ____________________, special United States counsel to the Airline, and _______________, German counsel to the Airline.

Underwriting.

A group of underwriters (the "Underwriters"), on behalf of which Smith Barney, Harris Upham & Co., Incorporated and the other co-managers shown on the cover page have agreed, jointly and severally, to purchase the Series 1990 Bonds pursuant to a Contract of Purchase between the City and the Underwriters dated the date of this Official Statement, subject to certain conditions, at a price of __________ (representing an underwriting discount of $_______ and an original issue discount of $_________), plus accrued interest. The Underwriters will be obligated to purchase all the Series 1990 Bonds, if any Series 1990 Bonds are purchased.

The prices and other terms respecting the offering and sale of the Series 1990 Bonds may be changed from time to time by the Underwriters after such Series 1990 Bonds are released for sale, and the Series 1990 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Series 1990 Bonds into investment accounts. In connection with the offering of the Series 1990 Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 1990 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Airline has agreed to indemnify the Underwriters and the City against certain liabilities, including liabilities under the Securities Act of 1933, and to contribute in respect thereof.

[Ratings]

[To Come, If Any]

Requirements Of Florida's Department Of Banking And Finance.

Regulations of the Florida Department of Banking and Finance require that offering circulars for state and local government bonds sold in initial offerings to the general public in Florida set forth detailed information about any bonds of the issuer which are in default (whether or not the default relates to the bonds being sold). Information which is believed not to be material may, nevertheless, be deleted if the reason for the deletion is set forth in the offering circular. The City has outstanding $101 Million in aggregate principal amount of Calumet Skyway Toll Bridge Revenue Bonds (the "Skyway Bonds") which were issued in 1955 and 1957 to finance construction of an elevated tollway linking the City to the Indiana Toll Road. The documents pursuant to which the Skyway Bonds were issued provide that the Skyway Bonds are payable solely from the net revenues of the Skyway. Although Skyway net revenues have been insufficient in the past to enable interest on the Skyway Bonds to be paid on a current basis, all past due interest, including penalties, has been paid. The City has been paying interest on a current basis on the Skyway Bonds since July 1, 1989. No scheduled sinking fund redemptions of the Skyway Bonds have been made, and no deposits have been made for such purpose or for the payment of principal of the Skyway Bonds. The Skyway Bonds mature in 1995. Further details concerning the Skyway Bonds and litigation concerning them is available from the City. However, that detailed information, in the view of the City, is not material to the sale of the Series 1990 Bonds because the Series 1990 Bonds are payable from an entirely separate source of revenue than the Skyway Bonds.

In addition, the City has issued non-Airport industrial development bonds and multi-family housing revenue bonds for the benefit of private users that are payable primarily or entirely from payments made by such users. The City makes no representation as to whether any such bonds are or are not in default. In the view of the City, disclosure of defaults of industrial development or multi-family housing revenue bonds, if any, would not be appropriate or material to the sale of the Series 1990 Bonds because the Series 1990 Bonds are payable entirely from a separate source of revenues.

Miscellaneous.

The summaries or descriptions in this Official Statement of provisions in the Indenture, the Agreement, the Site Lease and the Guaranty and all references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions and do not constitute complete statements of such documents or provisions. Reference is made to the complete documents relating to such matters for further information, copies of which will be furnished by the City upon written request delivered to the office of the City Comptroller, City Hall, Room 501, 121 North LaSalle Street, Chicago, Illinois 60602.

Any statements made in this Official Statement indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated.

Authorization.

The City has authorized the distribution of this Official Statement.

This Official Statement has been duly executed and delivered by the City Comptroller on behalf of the City of Chicago.

City of Chicago

By: ______________________________
City Comptroller

Appendices "A" and "B" attached to this Preliminary Official Statement read as follows:

Appendix "A".

Lufthansa German Airlines.

Statement Of Available Information:

Annual Report of the Airline for 1989 (presented in English)

Reports for First Quarter and First Half of 1990 (presented in German)

The Airline will provide without charge to each person to whom this Official Statement is delivered, upon the request of such person, a copy of any or all of the foregoing documents. During the offering period for the Series 1990 Bonds, requests for such documents should be directed to any of the Underwriters or to the Airline (Deutsche Lufthansa Aktiengesellschaft, Public Relations (CGN CI), Von-Gablenz-Str. 2-6, D-5000 Cologne 21, Germany (Telephone 0221/826-2406, Telefax 0221/826-2306, Telex 8873613 kflhd).

General.

The Airline's principal shareholder is the Federal Republic of Germany, which has a 52% ownership interest. The remaining ownership interests in the Airline are held by private entities, principally banks and other institutional investors domiciled in the Federal Republic of Germany. The Airline's ordinary and preferred shares trade on all German stock exchanges. The Airline's principal subsidiaries include:

Lufthansa Commercial Holding GmbH, Köln

Lufthansa Hotel-Gesellschaft mbH, Frankfurt

Delvag Luftfahrtversicherungs-AG, Köln

Condor Flugdienst GmbH, Frankfurt

Lufthansa Service GmbH, Frankfurt

German Cargo Services GmbH, Frankfurt

Lufthansa International Finance (Netherlands) N.V., Amsterdam

DLT Deutsche Luftverkehrsgesellschaft mbH, Frankfurt

EuroBerlin France S.A., Paris

Cargolux Airlines International S.A., Luxemburg.

The Airline and its subsidiaries are herein referred to as the "Lufthansa Group". The Airline is the second largest airline in Europe in terms of number of passengers carried and as of June 30, 1990, served 184 airports in 85 countries, including 13 airports in the United States. The Airline accounted for over 90% of Lufthansa Group's assets, turnover (revenue) and expenses in 1989. As of June 30, 1989, the Airline operated a fleet of _____ aircraft, consisting of _______. As of June 30, 1990, the Airline employed approximately _____ persons, including more than _______ outside West Germany and about _______ in flight staff.

The address for the principal executive office of the Airline in the United States is 1640 Hempstead Turnpike, East Meadow, New York 11554 (Telephone 516/296-9634/35).

Recent Developments.

Investment in Interflug. The Airline intends to acquire a 26% ownership interest in Interflug, the East German air carrier. The West German Cartel Office has suggested that it will object to this investment. In addition, British Airways has filed an objection with the European Community Commission (the "E.C.") concerning the Airline's proposed investment in Interflug. The E.C. currently is considering how its competition rules should be applied to the airline industry. It is not possible to predict the outcome of these actions by the German Cartel Office and the E.C., or their impact on the Airline's proposed investment in Interflug.

Service to Berlin; EuroBerlin France. As of October 3, 1990, the Airline will be allowed to fly to Berlin. Thereafter, the purpose of EuroBerlin France, an air carrier owned jointly by the Airline and Compagnie Nationale Air France ("Air France"), will need to be redefined. Talks between the Airline and Air France concerning this matter are under way.

Cooperation with Pan American World Airways, Inc. The Airline has agreed with PanAm to utilize part of PanAm's Berlin operation following October 3, 1990. Subject to an international treaty based on the "Four plus Two Talks", PanAm will fly on behalf of the Airline for a part of the Airline's applied-for Berlin service from October 28, 1990 on.

Financing Needs. The Airline's growth policy will require investments of more than D.M. 3 Billion ($__________) in 1990 and more than D.M. 4 Billion ($__________) in 1991. Despite increasing internal financing contributions from cash flow, these investments will temporarily create a high requirement for external financing. In April 1990, the Airline issued Deutsch Mark Floating Rate Notes worth D.M. 1.2 Billion ($__________). As a result the Airline's financing requirements for 1990 are covered. Airline expects that it will require up to D.M.______ ($________) in external financing during 1991.

Cargo Joint Venture. The importance of global distribution methods for freight is continually increasing. Thus, the Airline, together with Japan Airline, Cathay Pacific and Air France, has established a system for the global distribution of freight. By means of the intended participation in DHL-International (a worldwide express freight carrier) the Airline has ensured entry into this quickly growing market sector. The anticipated extent of the partnership is initially 5% but can be increased to 25% within 18 months.

Recent Operating Results.

Year Ended December 31, 1989. The Airline and Lufthansa Group achieved a net income of D.M. 124 Million ($70 Million) and D.M. 110 Million ($67 Million), respectively, in 1989 compared with net income of D.M. 99 Million ($58 Million) and D.M. 82 Million ($48 Million), respectively, in 1988. The Airline carried 20.4 million passengers in 1989, an increase of 5.5% from 1988, and its overall load factor increased by 0.6% to 67.6%. The Lufthansa Group had a lower net income than the Airline primarily because of the start-up losses incurred by EuroBerlin France, the air carrier owned jointly by the Airline and Air France. See "Recent Development -- Service to Berlin; EuroBerlin France", above.

Operating revenues in 1989 were D.M. 11.8 Billion ($6.9 Billion) for the Airline and D.M. 13.1 Billion ($7.7 Billion) for Lufthansa Group, compared with operating revenues of D.M. 10.6 Billion ($6.2 Billion) and D.M. 11.8 Billion ($6.8 Billion), respectively, in 1988. The Airline's passenger revenues increased by D.M. 834.3 Million (11.4%) in 1989, primarily due to the improved utilization of capacity -- the increase in demand of 8.1% was above the expansion in capacity offered of 7.2% -- and an increase of 5% in average revenues in passenger traffic. The highest growth rates in absolute terms were in Europe, followed by the Asia/Pacific region and North America.

Other revenues of the Airline and Lufthansa Group increased D.M. 184 Million (18%) and D.M. 228 Million (16%) in 1989, respectively, primarily due to the increase in the area of technical services.

Six Months Ended June 30, 1990. In the first half of 1990, the Airline suffered a net loss of D.M. 3 Million ($1.8 Million), compared with net income of D.M. 87 Million ($51 Million), for the same period in 1989. First half gross operating revenues increased 7% for the Airline and 7% for Lufthansa Group to D.M. 5.7 Billion ($3.4 Billion) and D.M. 6.2 Billion ($3.6 Billion), respectively, in the first half of 1990 compared with D.M. 5.3 Billion ($3.1 Billion) and D.M. 5.8 Billion ($3.4 Billion), respectively, for the same period in 1989.

Additional Information. See the Airline's 1989 Annual Report [and the Airline's unaudited financial statements as of, and for the period ended, June 30, 1990,] for additional information concerning the business and financial condition of the Airline and Lufthansa Group. Information concerning exchange rate conversion and differences between German and United States generally accepted accounting principles is contained in the Notes to the audited financial statements of the Airline and Lufthansa Group.

Operating Information.

Passenger Operating Information (in millions except percentages):

Year	1989	1988	1987
Passengers carried			
Available seat miles			
Revenue passenger -- miles			
Passenger load factor	%	%	%

Cargo Operating Information (in millions except percentages):

Year	1989	1988	1987
Revenue metric ton -- miles			
including air mail			
on composite flights	%	%	%

Year	1989	1988	1987
on cargo flights	%	%	%

Capital And Revenue ($ Millions)

Lufthansa Group.

Year		1989	1988	1987
Capital		$	$	$
Total operating revenue				
including:	airline			
	other revenues			
net profit				
cash flow				

Appendix "B".

Form Of Opinions Of Co-Bond Counsel.

$______________

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Lufthansa German Airlines Project)

Series 1990.Contract of Purchase.

City of Chicago
City Hall
121 North LaSalle Street
Chicago, Illinois 60602

December ____, 1990.

Ladies and Gentlemen:

The undersigned underwriters, for whom Smith Barney, Harris Upham & Co., Incorporated (the "Senior Manager") and George K. Baum & Company, Goldman, Sachs & Co., Pryor, McClendon, Counts & Co., Inc. and Smith, Mitchell & Associates, Inc. are acting as the representatives (collectively with the Senior Manager the "Representatives"), acting on behalf of themselves and on behalf of the other underwriters, if any, named in the list attached hereto as Schedule I (the Representatives and any such other underwriters as finally determined being hereinafter called the "Underwriters"), offer to enter into the following agreement with the City of Chicago, a municipal corporation and a home rule unit of local government duly organized and existing under the laws of the State of Illinois (the "City"), which upon the City's acceptance of this offer, will be binding upon the City and upon the Underwriters. This offer is made subject to your acceptance of this Contract of Purchase on or before 5:00 P.M., Chicago time, on December ____, 1990. If no other Underwriters are listed in Schedule I, then the terms "Underwriters" and "Representatives" shall be deemed to have the same meaning herein.

1. Purchase Price. Upon the terms and conditions and in reliance upon the representations, warranties and covenants set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the City, and the City hereby agrees to sell to the Underwriters, all (but not less than all) of the $__________in aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project), Series 1990 (the "Bonds"), dated, maturing, bearing

interest and having the further terms set forth in the Official Statement of the City, substantially in the form attached hereto as Exhibit A and made a part hereof (such Official Statement, including the cover page, the Summary Statement and all appendices attached thereto, is hereinafter called the "Official Statement", except that if the Official Statement shall have been amended with the Senior Manager's and the City's approval between the date hereof and the Closing (as defined in Section 6), the term "Official Statement" shall refer to the Official Statement as so amended), at the purchase price of $___________, plus any interest accrued on the Bonds from their date to the date of the Closing. The Underwriters agree to make a bona fide public offering of all of the Bonds at the initial offering price (or yield) set forth on the cover page of the Official Statement, it being understood and agreed that after the initial offering the Senior Manager reserves the right to establish such public offering price (or yield) as it deems necessary in connection with the marketing of the Bonds. Except as otherwise defined herein, terms used herein which are defined in the Official Statement shall have the same meanings herein as therein. Attached hereto as Exhibit B is a copy of the Preliminary Official Statement of the City dated December ____, 1990, relating to the Bonds (the "Preliminary Official Statement").

2. Official Statement. At the time of the City's acceptance of this Contract of Purchase, or at such later time as shall be agreeable to the Senior Manager, the City shall deliver to the Representatives five executed copies of the Official Statement. The City authorizes the Underwriters to use the Official Statement and the documents referred to therein in connection with the public offering and the sale of the Bonds. The City ratifies and consents to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement. The City shall deliver, or cause to be delivered, at its expense, to the Underwriters within seven business days from the date of this Contract of Purchase sufficient quantities of the Official Statement which in the reasonable judgment of the Senior Manager are sufficient to comply with their obligations under paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "1934 Act") and the rules of the Municipal Securities Rulemaking Board.

3. Authorization. The Bonds are authorized to be issued pursuant to an ordinance adopted by the City Council of the City on December ____, 1990 (the "Ordinance"), and will be described in, and issued and secured under and pursuant to, an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project), dated as of December 1, 1990 (the "Indentures"), from the City to Independence Bank of Chicago and The First National Bank of Chicago, Chicago, Illinois, as trustees (collectively, the "Trustee"). The Bonds are being issued for the purpose of financing (i) the Project, as defined in the Special Facility Use Agreement (Cargo Facility) dated as of December 1, 1990 (the "Agreement"), by and between the City and Deutsche Lufthansa AG, doing business in the United States as Lufthansa German Airlines (the "Airline"); (ii) the interest on the Bonds during the construction of the Project; (iii) a debt service reserve fund established under the Indenture; and

(iv) the costs of issuance related to the Bonds. The Project will be located at Chicago-O'Hare International Airport (the "Airport") and will occupy a site leased to the Airline pursuant to a Cargo Facility Site Lease dated as of December ____, 1990 (the "Site Lease") between the City and the Airline. Payment of principal of and interest and redemption premium, if any, on the Bonds will be guaranteed by the Airline, pursuant to a Guaranty from the Airline to the Trustee dated as of December 1, 1990 (the "Guaranty"). The Airline, the City and the Trustee will enter into an Arbitrage Compliance Agreement dated as of December 1, 1990 and the Airline will deliver its Project Cost and Tax Certificate dated as of the Closing (collectively, the "Tax Agreement") and the City will deliver its General Tax Certificate and its Non-Arbitrage Certification, each dated as of the Closing (collectively with the Tax Agreement, the "City Tax Agreements"). The Airline will deliver its Project Cost and Tax Certificate dated as of the Closing (collectively with the Tax Agreement, the "Airline Tax Agreements"). Concurrently with the execution and delivery of this Contract of Purchase, the Airline shall execute and deliver to the City and the Underwriters its Letter of Representation, dated the date hereof (the "Letter of Representation"), substantially in the form included as Exhibit C hereto. [The Bonds will be remarketed by Smith Barney, Harris Upham & Co., Incorporated, as Remarketing Agent (the "Remarketing Agent"), pursuant to a Remarketing Agreement to be dated the date of issuance of the Bonds (the "Remarketing Agreement") between the Company and the Remarketing Agent. The Airline, the City, the Remarketing Agent, the Trustee and ________ (the "Tender Agent") will enter into a Tender Agent Agreement dated as of December 1, 1990 (the "Tender Agent Agreement") pursuant to which the Tender Agent will act as tender agent, co-paying agent and co-bond registrar for the Bonds]. The Agreement, the Bonds, the City Tax Agreements, the Indenture, the Site Lease and [the Tender Agent Agreement] are referred to herein as the "City Documents".

4. Representations and Warranties of the City. The City represents and warrants to the Underwriters as of the date hereof (and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Bonds at the Closing that the City shall so represent and warrant as of the date of the Closing) that:

(a) The City is a municipal corporation and home rule unit of local government duly organized and existing under the Constitution and laws of the State of Illinois.

(b) In connection with the issuance of the Bonds, the City has complied in all respects with the Constitution and laws of the State of Illinois.

(c) The City Council has (i) duly adopted the Ordinance and authorized, ratified and approved the execution and delivery of the City Documents, (ii) duly authorized and approved the Official Statement and authorized the use of the Preliminary Official Statement prior to the date hereof in connection with the offering and sale of the Bonds, (iii) duly authorized and approved the execution and delivery of this Contract of Purchase and the acceptance of the Letter of Representation, and (iv) duly authorized and approved the performance by the City of its obligations contained in the Ordinance, the City Documents, the Letter of Representation and this Contract of Purchase.

(d) The City has full legal right, power and authority (i) to enter into this Contract of Purchase, (ii) to issue, sell and deliver the Bonds to the Underwriters pursuant to the Ordinance as provided herein, and (iii) to carry out and consummate the transactions contemplated by this Contract of Purchase, the Ordinance, the City Documents and the Official Statement. The City is not in breach of or default under the Ordinance, the City Documents, any applicable law or administrative regulation of the State of Illinois or the United States of America, or any applicable judgment or decree, or any loan agreement, note, resolution, ordinance, or other agreement or instrument to which the City is a party or is otherwise subject, including, without limitation, the 1983 Chicago-O'Hare International Airport General Airport Revenue Bond Ordinance ("G.A.R.B.O."), which breach or default is reasonably likely to materially adversely affect the operation of the Airport or the authorization or issuance of the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default. Neither the adoption of the Ordinance and compliance with the provisions thereof nor the execution and delivery of and performance by the City of its obligations under the City Documents or this Contract of Purchase violates any applicable law or administrative regulation of the State of Illinois or of any department, division, agency or instrumentality thereof or of the United States, or any applicable judgment or decree to which the City is subject, or conflicts with or constitutes a breach of or default under any loan agreement, note, resolution, ordinance, indenture, agreement or other instrument to which the City is a party or is otherwise subject, including, without limitation, G.A.R.B.O. The City has not received any judicial or administrative notice which in any way questions the federal tax-exempt status of interest on the Bonds and has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

(e) Except as stated in the Official Statement, or as otherwise disclosed in writing to the Underwriters, the City is not, to the best of its knowledge, in default with respect to any bond, note or other evidence of indebtedness, whether of a general obligation, revenue or other nature which default is reasonably likely to materially and adversely affect the Bonds, the ability of the City to issue the Bonds or the City's ability to operate the Airport.

(f) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the City of its obligations hereunder and under the Ordinance and the City Documents and which can reasonably be obtained at this time have been obtained. To the best knowledge of the City, there is no public vote or referendum pending or proposed, the results of which could in any way adversely affect the transactions contemplated by this Contract of Purchase, the Ordinance or the City Documents or the validity or enforceability of the Bonds.

(g) The Site Lease conforms to the description thereof contained in the Official Statement; and the Bonds, when issued and delivered in accordance with the Indenture, will be validly issued and outstanding limited obligations of the City payable from the Special Facility Revenues described in, and entitled to the benefit of, the Indenture. The Indenture creates a valid pledge of and grant of a security interest in the Special Facility Revenues purported to be pledged thereby, subject to no prior pledges or security interests other than those granted to the Bonds, but subject to application as provided in the Indenture.

(h) The information contained in the Official Statement under the captions "Summary Statement -- The City" and "--The Airport", "The City", "The Airport", "The Site Lease", "Litigation", "Regulatory Proceedings and Proposed State Actions", "Requirements of Florida's Department of Banking and Finance" and "Authorization", as the Official Statement may be amended or supplemented with the approval of the Senior Manager, is true and correct in all material respects and such information does not and as of the date of Closing will not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements made under such captions, in the light of the circumstances under which they are or were made, not misleading. The Preliminary Official Statement is an official statement deemed final as of its date within the meaning of Rule 15c2-12 under the 1934 Act, except that no representation or warranty is made with respect to the information contained in the Preliminary Official Statement concerning the Airline or the Project.

(i) Except as specifically set forth in the Official Statement, no litigation is pending or, to the knowledge of the City, threatened in any court which in any way affects the existence of the City, the City's operation of the Airport, or seeks to restrain or enjoin the issuance, sale and delivery of the Bonds, or the right, power and authority of the City to collect Special Facility Revenues generally or other moneys pledged or to be pledged to pay the principal of and interest on the Bonds, or the validity and binding effect of the Ordinance, this Contract of Purchase or the City Documents or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the City or its authority with respect to the Ordinance, this Contract of Purchase or the City Documents or contesting in any way the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

(j) The signatures of the officials executing this Contract of Purchase, the Letter of Representation, the Official Statement and the documents delivered pursuant to the foregoing on behalf of the City are true and genuine and such officials have been duly authorized to execute the same.

5. Covenants of the City. In connection with the purchase and sale of the Bonds pursuant to this Contract of Purchase, the City hereby covenants that:

(a) The City will make available such information, execute such instruments and take such other action in cooperation with the Representatives as the Senior Manager may reasonably request to qualify the Bonds for offer and sale under the securities laws and regulations of such states and other jurisdictions of the United States as the Senior Manager may designate; provided that nothing in this clause (a) shall require the City to consent to service of process in any state or jurisdiction other than the State of Illinois.

(b) The City will use its best efforts to make available such information, execute such instruments and take such other reasonable action in cooperation with the Underwriters as the Senior Manager may reasonably request to assist the Underwriters in attempting to qualify the Bonds with [Midwest Securities Trust Company ("M.S.T.C.")].

(c) If between the date of this Contract of Purchase and the date of the Closing any event shall occur related to the City and known to the City which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall notify the Senior Manager in writing thereof and if in the opinion of the City and the Senior Manager such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at the Airline's expense supplement or amend the Official Statement in a form and in a manner approved by the Senior Manager. After the Closing, and so long as any Underwriter or any participating dealer shall be offering the Bonds which constitute the whole or a part of their unsold participations until the earlier of (i) 90 days from the date of Closing or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository (but in no event later than 25 days from the date of the Closing), the City agrees to advise the Senior Manager in writing of any development related to the City and known to the City that impacts the accuracy and completeness of the key representations contained in the Official Statement, within the meaning of Rule 15c2-12 under the 1934 Act. During that period the City will not adopt any amendment of, or supplement to, the Official Statement except with the written consent of the Senior Manager; and if any event relating to or affecting the City shall occur as the result of which shall make it necessary, in the opinion of the Senior Manager and the City, to amend or supplement the Official Statement in order to make it not misleading in the light of the circumstances existing at that time, the City shall forthwith prepare and furnish to the Underwriters, at the expense of the Airline, a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Senior Manager, so that the Official Statement then will not contain an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading.

(d) Between the date of this Contract of Purchase and the Closing, the City will not, without the prior written consent of the Underwriters, issue any bonds, notes or other obligations for borrowed money payable from the Special Facility Revenues.

6. The Closing. The payment for the Bonds (the "Closing") shall take place on December ____, 1990 at the offices of Burke, Wilson & McIlvaine, 500 West Madison Street, Chicago, Illinois 60606 or on such other date or at such other place as shall have been mutually agreed upon as the date on or place at which the Closing shall occur. At [10:00] A.M., Chicago time on the date of the Closing, the City will cause the Bonds in definitive form, duly executed and authenticated, to be delivered to the principal office of [M.S.T.C.], [Chicago, Illinois]. Simultaneously with such delivery and provided that all conditions to the obligations of the Underwriters set forth in paragraph 7 hereof have been satisfied and are in form and substance satisfactory to the Senior Manager, the Underwriters shall cause the purchase price of the Bonds plus accrued interest to be paid in [clearing house] funds to the order of the Trustee for the account of the City in accordance with the Indenture. The Bonds, bearing proper CUSIP numbers, shall be in the definitive form of one fully registered Bond and in the name in which [M.S.T.C.] requests that the Bonds be registered, and shall be made available for inspection and checking by the Underwriters at the offices of [M.S.T.C.], not later than [10:00 A.M.] on the business day prior to the date of the Closing.

7. Conditions to the Obligations of the Underwriters. The Representatives have entered into this Contract of Purchase on behalf of themselves and the other Underwriters in reliance upon the representations and warranties of the City contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder and under the aforesaid documents and instruments at or prior to the date of the Closing. Accordingly, the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Bonds are subject to the performance by the City of its obligations to be performed hereunder and

under such aforesaid documents and instruments at or prior to the date of the Closing, and are also subject to the following conditions:

(a) The representations and warranties of the City contained herein and in the Ordinance will be true, complete and correct on the date hereof and on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(b) At the time of the Closing, (i) the Ordinance, the City Documents and the Airline Documents will be in full force and effect, and will not have been amended, modified or supplemented since the date hereof, unless agreed to in writing by the Senior Manager, and the Official Statement will not have been amended, modified or supplemented, except as may have been agreed to by the Senior Manager; (ii) the representations and warranties of the City contained in the City Documents will be true, complete and correct; and (iii) all necessary action on the part of the City relating to issuance of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented, except with the consent of the Senior Manager.

(c) The Senior Manager has the right to terminate the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Bonds by notifying the City of its election to do so if, after the execution hereof and prior to the Closing: (i) a committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the City or by any similar body or including in gross income for federal tax purposes interest received by the owners thereof on obligations of the general character of the Bonds or the Bonds (except to the extent that Bonds are held by a "substantial user" of the facilities financed by the Bonds or any "related persons" within the meaning of paragraph 147(a) of the Code), which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; (ii) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in, or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which would result in the imposition of federal income taxation, upon the Special Facility Revenues pledge to the payment of the Bonds or other income of the general character of the Special Facility Revenues to be derived by the City or by any similar body or including in gross income for federal tax purposes interests received by the owners thereof on obligations of the general character of the Bonds or the Bonds (except to the extent that Bonds are held by a "substantial user" of the facilities financed by the Bonds or any "related persons" within the meaning of paragraph 147(a) of the Code), which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; (iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of Illinois, or a decision by any court of competent jurisdiction within the State of Illinois shall be rendered which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; (iv) a stop order, ruling, regulation or official statement by, or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction over the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, the Securities Act of 1933, as amended (the "Securities Act"), or the 1934 Act, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); (v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under the Securities Act or the 1934 Act or that the Indenture is not exempt from qualification under the Trust Indenture Act; (vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (vii) a general banking moratorium shall have been established by United States, West German, Illinois or New York authorities; (viii) a war involving the United States or the Federal Republic of Germany shall have been declared, or any conflict involving the armed forces of the United States or the Federal Republic of Germany shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; (ix) an event occurs which requires an amendment or supplement to the Official Statement as contemplated in Section 5(c) hereof or Section 2(j) of the Letter of Representation, which event, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; [or (x) the ratings of the Bonds shall have been downgraded or withdrawn by a national rating service, which, in the

Senior Manager's opinion, would materially adversely affect the market price of the Bonds].

(d) At or prior to the Closing, the Representatives have received each of the following documents:

(i) Five copies of the Official Statement of the City, manually executed by the Comptroller of the City.

(ii) Five copies, duly certified by the City Clerk of the City, of the Ordinance as adopted by the City Council of the City.

(iii) The approving opinions dated the date of the Closing and addressed to the City, of Co-Bond Counsel to the City, in substantially the form attached to the Official Statement, and letters from such counsel dated the date of the Closing and addressed to the Senior Manager on behalf of the Underwriters, to the effect that such opinions addressed to the City may be relied upon by the Underwriters to the same extent as if such opinions were addressed to them.

(iv) An opinion or opinions, dated the date of the Closing and addressed to the Senior Manager, of Co-Bond Counsel to the City, to the effect that (A) this Contract of Purchase has been duly authorized, executed and delivered by, and constitutes a valid and binding agreement of the City enforceable in accordance with its terms, assuming it is in like fashion binding upon the Underwriters, as to which no view need be expressed (but such opinion as to enforceability may be qualified with respect to bankruptcy, insolvency and other laws affecting creditors' rights or remedies and by general principles of equity); (B) the Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act; (C) Special Facility Revenues, as defined in the Indenture, will not constitute Revenues, as defined under the G.A.R.B.O. as in effect on the date of such opinions; (D) delivery of the Preliminary Official Statement and the Official Statement by the City and use of the same by the Underwriters in connection with the sale of the Bonds have been duly authorized by the City; (E) the information contained in the Official Statement on the Cover Page relating to the opinions of Co-Bond Counsel, under the captions "Summary Statement -- The Series 1990 Bonds", "-- The Project", "-- Security", "-- Debt Service Reserve Requirement" and "-- Additional Bonds", "The Series 1990 Bonds -- Redemption Prior to Maturity", "Security for The Series 1990 Bonds -- Payments by the Airline under the Agreement", "-- Limited Obligation", "-- Debt Service Reserve Fund" and "-- Additional Bonds", and "Tax Matters" and "Proposed Form of Opinions of Co-Bond Counsel", included as Appendix B, insofar as such statements constitute a summary of the matters therein set forth, are correct in all material respects and do not omit any statement which should be included or referred to therein in order to summarize fairly and accurately the matters therein set forth; (F) Special Facility Revenues and investment proceeds of the Bonds may be used to make payments of arbitrage rebate to the United States as required by the Code, and regulations promulgated thereunder; and (G) based on the examinations which they have made as Co-Bond Counsel and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement other than those described in Section (iv)(E) above, such counsel have no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for Appendix A and except for any financial, technical and statistical data included in the Official Statement and except for information regarding [M.S.T.C.] and [M.S.T.C.'s] book-entry system, in each case as to which no view need be expressed). Such opinion also shall state that the City has requested that such opinion be furnished to the Underwriters.

(v) An opinion, dated the date of the Closing and addressed to the Senior Manager, of the Corporation Counsel of the City given in an official capacity and not personally and to which no personal liability will derive from its delivery, to the effect that (A) the City is a home rule unit of local government duly organized and existing under the Constitution and laws of the State of Illinois with full power and authority, among other things, to adopt and perform its duties and obligations under the Ordinance, to approve the Preliminary Official Statement, to execute and deliver this Contract of Purchase, the Official Statement and the City Documents to authorize, issue and sell the Bonds and to operate the Airport and to maintain and collect and enforce the collection of the Special Facility Revenues as covenanted in the Indenture and the Agreement; (B) this Contract of Purchase and the City Documents have been duly authorized, executed and delivered by, and the Ordinance has been duly adopted by, the City, and, assuming due authorization, execution and delivery by the other parties thereto, all such instruments constitute valid and legally binding obligations of the City enforceable in accordance with their respective terms (but such opinion as to enforceability may be qualified with respect to bankruptcy, insolvency and other laws affecting creditors' rights or remedies); (C) the Preliminary Official Statement has been duly authorized and delivered and the Official Statement has been duly authorized, executed and delivered by the City; (D) to the knowledge of such counsel, compliance with the provisions of the Ordinance, and the execution, delivery and performance of the City Documents or this Contract of Purchase does not conflict with, or constitute a breach of or default under, any applicable law, administrative regulation, court order or consent decree of the State of Illinois or any department, division, agency, or instrumentality thereof or of the United States or any loan agreement, note, resolution, ordinance, indenture, mortgage, deed of trust, agreement or other instrument to which the City is a party or may otherwise be subject; (E) all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute conditions precedent to the performance by the City of its obligations under this Contract of Purchase, the Letter of Representation, the Ordinance and the City Documents and which can reasonably be obtained by the time of the Closing have been obtained; (F) except as set forth in the Official Statement, there is no litigation or proceeding pending or, to the knowledge of the Corporation Counsel after due inquiry, threatened in any way affecting the existence of the City, or the titles of its officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or the right, power and authority of the City to collect Special Facility Revenues generally or other moneys pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the Special Facility Revenues or the other moneys, or in any way consenting or affecting the validity or enforceability of the Ordinance, the City Documents or this Contract of Purchase, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City or its authority with respect to the Ordinance, the City Documents or this Contract of Purchase; and (G) based on the examination which the Corporation Counsel has caused to be made and the participation of his representatives at conferences at which the Official Statement was discussed, the Corporation Counsel has no reason to believe that the information contained in the Official Statement under the captions "Summary Statement -- The City" and "-- The Airport", "The City", "The Airport", "The Site Lease", "Litigation", "Regulatory Proceedings and Proposed State Actions" (except for information appearing under the subcaption "--Federal Aviation Administration" and in the first paragraph under the subcaption "-- Proposed State Action"), "Requirements of Florida's Department of Banking and Finance (except insofar as such summary relates to matters of Florida law)" and "Authorization" includes any untrue statement of a material fact or omits to state a material fact necessary to make the statements under such captions, in light of the circumstances under which they were made, not misleading in any material respect. Such opinion shall also state that the City has requested that such opinion be furnished to the Underwriters.

(vi) An opinion of Hopkins & Sutter, special counsel to the City, dated the date of the Closing and addressed to the Senior Manager, to the effect that (A) the Bonds are "Special Facility Revenue Bonds" within the meaning ascribed to such terms in G.A.R.B.O.; (B) the Special Facility Revenues do not constitute "Revenues" within the meaning of the G.A.R.B.O.; and (C) based on the examination which they have made and their participation at conferences at which the

Official Statement was discussed, such counsel has no reason to believe that (1) the information contained in the Official Statement under the caption "Regulatory Proceedings and Proposed State Actions -- Federal Aviation Administration", (2) the information contained in the Official Statement in the first paragraph under the caption "Regulatory Proceedings and Proposed State Actions", and (3) the information contained in the Official Statement under the caption "Litigation" relating to lawsuits containing claims based on noise and other effects of aircraft operations against the City, include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. Such opinion also shall state that the City has requested that such opinion be furnished to the Underwriters.

(vii) An opinion, dated the date of the Closing and addressed to the Senior Manager, of co-counsel for the Underwriters (which the Senior Manager agrees to request), to the effect that (A) the Bonds are exempt securities which do not require registration under the Securities Act, and the Indenture need not be qualified under the Trust Indenture Act; and (B) based upon their participation in the preparation of the Official Statement as co-counsel for the Underwriters and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel have no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial forecast, technical and statistical statements and data included in the Official Statement, and the statements and information set forth in [Appendix A and in] Appendix B to the Official Statement and except for information regarding M.S.T.C. and M.S.T.C.'s book-entry system, in each case as to which no view need be expressed).

(viii) A certificate, dated the date of the Closing of the City Comptroller to the effect that to the best of his knowledge (A) 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 with the same effect as if made on the date of the Closing; (B) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes 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; (C) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public body or board pending or threatened to restrain or enjoin the issuance or sale of the Bonds, or in any way contest the validity of or affect the power of the City to issue the Bonds, or restrain or enjoin the execution and delivery of documents in connection therewith, or contest the existence or powers of the City or contest, restrain or enjoin the right of the City and the Airline to finance the Project at the Airport as described in the Official Statement; and (D) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing.

(ix) A certificate, dated the date of the Closing, of the Commissioner of the Department of Aviation of the City to the effect that to his knowledge the information contained in the Official Statement under the captions "Summary Statement -- The Airport", "The Airport" and "Regulatory Proceedings and Proposed State Actions" does not contain any untrue statement of a material fact or omit any statement of a material fact that should be stated therein for the purpose for which it is to be used or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

[(x) Evidence satisfactory to the Senior Manager that the Bonds have received a rating of "__" or better from Moody's Investors Service, Inc. and a rating of "__" or better from Standard and Poor's Corporation.]

(xi) Executed copies of the Certificates of Accuracy, dated as of the date of Closing given by [M.S.T.C.] to the effect that the information set forth on the cover page of the Official Statement and in the Official Statement under the captions "Summary Statement -- Book-Entry Only System" and "The Series 1990 Bonds -- Book-Entry Only System" is, as of the date of the Closing, accurate and does not contain any untrue statement of a material fact or omit to state a material fact that should be stated therein for the purpose for which it is to be used or that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(xii) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Bonds including in particular, all certificates, order and opinions constituting conditions precedent to the issuance of the Bonds in accordance with Section 211 of the Indenture and two manually signed copies of the Indenture and the City Tax Agreements.

(xiii) Delivery to the Senior Manager of (A) two manually signed copies of the Airline Documents (as defined in the Letter of Representation).

(xiv) An opinion of Arthur Molins, Manager Legal Affairs/U.S.A. of the Airline, dated the date of the Closing and addressed to the Senior Manager to the effect that:

(A) The Airline is a duly organized and validly existing corporation and is in good standing under the laws of the Federal Republic of Germany with corporate power and authority to own or lease and operate the properties now owned or leased, as the case may be, by it and to conduct the business now being conducted by it and to execute, deliver and perform its obligations under the Airline Documents and the Letter of Representation. The Airline is duly authorized and qualified to do business and is in good standing in the United States and all states and jurisdictions within the United States wherein the failure so to qualify would have a material adverse effect on the operations or business of the Airline.

(B) The execution and delivery by the Airline of the Airline Documents and the Letter of Representation have been duly and validly authorized by the necessary corporate and governmental action, and no further authorization, approval, consent, certificate or order of any local, state or federal commission or regulatory authority is required in respect of the execution and delivery by the Airline of the Airline Documents and the Letter of Representation.

(C) Neither the execution and delivery by the Airline of the Airline Documents or the Letter of Representation nor the Airline's performance of its obligations thereunder will result in the violation of a statute or regulation, or any order or decree known to said counsel of any court or governmental authority binding on the Airline or its property or result in a default or in the creation of a lien under any of the provisions of the Airline's organizational documents or, to the best of such counsel's knowledge, a material breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other instrument pursuant to which the Airline is a party.

(D) The Airline has not engaged such counsel to give substantive attention to any material pending legal or governmental proceedings which is not set forth or referred to in the Official Statement, and such counsel does not know of any contracts or documents of a character required to be described in the Official Statement which are not described or referred to as required.

(E) The statements made in the Official Statement under the captions "The Agreement", "The Site Lease" and "The Guaranty" insofar as they pertain to obligations of the Airline and insofar as they purport to summarize provisions of the documents specifically referred to under said captions are fair summaries.

(F) The Letter of Representation has been authorized, executed and delivered by the Airline and, assuming that it has been duly and validly authorized, executed and delivered by the other parties thereto, constitutes a valid and authorized binding obligation of the

Airline enforceable in accordance with its terms except that no opinion need be expressed as to the availability of equitable remedies and except as enforceability of the indemnification provisions thereof may be limited by applicable securities laws. The enforceability of the Airline's obligations under the Letter of Representation is not subject to sovereign immunity or similar principles.

(G) The Airline Documents have been duly authorized, executed and delivered by the Airline and, assuming that the Airline Documents have been duly and validly authorized, executed and delivered by the other parties thereto, constitute valid and binding obligations of the Airline enforceable in accordance with their terms except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, except that no opinion need be expressed as to the availability of equitable remedies and except as enforceability of the indemnification provisions thereof may be limited by public policy considerations. The enforceability of the Airline's obligations under the Airline Documents is not subject to sovereign immunity or similar principles.

(H) The Airline has duly approved the Official Statement.

(I) The officers and employees who have executed the Airline Documents and the Letter of Representation have been duly and properly authorized to do so.

(J) There is no material litigation pending or threatened against the Airline which would prohibit it from entering into the transactions contemplated by the Airline Documents or the Letter of Representation or performing the obligations undertaken by it pursuant to the Airline Documents or the Letter of Representation.

(K) The provisions of the Airline Documents and the Letter of Representation respecting governance, construction and submission to the jurisdiction of any federal court within the federal court district of the Northern District of Illinois as specified in the Agreement, the Guaranty and the Letter of Representation are valid under the laws of the Federal Republic of Germany.

(L) A judgment obtained in any such court against the Airline would be enforceable in the courts of the Federal Republic of Germany.

Such opinion shall also state that, based upon such counsel's participation in conferences with representatives of the Airline, its accountants and its other counsel, but without having made any independent verification of factual matters, such counsel have no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that such counsel need express no opinion as to financial statements and other financial data included therein or as to the information appearing under the captions "Summary Statement -- The City", "-- Book-Entry Only System", "-- The Airport" and "-- Plan of Finance", "The City", "The Airport", "Underwriting", "Tax Matters", "Litigation", "Regulatory Proceedings and Proposed State Actions" and "Requirements of Florida's Department of Banking and Finance", and in Appendix B). Such opinion also shall state that the Airline has requested that such opinion be furnished to the Underwriters.

(xv) Opinions of _______, United States counsel to the Airline, and _________, German counsel to the Airline, addressed to the Senior Manager, covering the matters described in subparagraphs (xiv)(F), (G), (K) and (L), above. Each such opinion also shall state that the Airline has requested that such opinion be furnished to the Underwriters.

(xvi) Letters of _________, the Airline's independent accountants, dated respectively at the time of execution of this Contract of Purchase and on the date of the Closing, in form and scope acceptable to the Senior Manager.

(xvii) A certificate, dated the date of the Closing, signed by the _______ or any _______ and a principal financial or accounting officer of the Airline, in which such officers, to the best of their knowledge after reasonable investigation, state that:

(A) the representations and warranties of the Airline in the Letter of Representation and the Airline Documents are true and correct, the Airline has complied with all agreements and satisfied all conditions on its part to be performed or satisfied under this Contract of Purchase and the Letter of Representation at or prior to the date of the Closing and there has been no breach by the Airline of the covenants in the Agreement;

(B) the Airline has duly performed all of its obligations under the Agreement to be performed at or prior to the Closing;

(C) there has been no material adverse change in the condition of the Airline, financial or otherwise, or in the earnings, affairs or business prospects of the Airline, whether or not arising in the ordinary course of business, from that set forth in or contemplated by the Official Statement;

(D) (1) the Airline has not sustained since the date of the latest audited financial statements included or referred to in the Official Statement any loss or interference material to the Airline and its subsidiaries, taken as a whole, with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Official Statement, and (2) since the respective dates as of which information is given in the Official Statement, neither the Airline nor any of its subsidiaries has incurred any liabilities or obligations, direct or contingent, or entered into any transactions, not in the ordinary course of business, which are material to the Airline and its subsidiaries, taken as a whole, and there has not been any material change in the consolidated equity capitalization or long-term debt of the Airline or any of its subsidiaries or any material change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Airline and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Official Statement.

(xviii) Evidence, satisfactory to the Senior Manager, that the Letter of Representation, in the form attached hereto as Exhibit C and approved by the Senior Manager, has been duly authorized, executed and delivered, has not been amended, modified or rescinded and is in full force and effect as of the Closing.

(xix) A certificate, dated the date of Closing, signed by an Independent Airport Consultant (as defined in G.A.R.B.O.), satisfying the requirements of Section 903 of G.A.R.B.O.

(xx) Such additional legal opinions, certificates, instruments and other documents as Co-Bond Counsel may reasonably deem necessary or desirable, or as the Senior Manager may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations, warranties and covenants of the City contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract of Purchase will be deemed to be in compliance with the provisions hereof if, but only if, they are in substance reasonably satisfactory to the Senior Manager.

8. Termination. If the City or the Airline is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Contract of Purchase, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds are terminated for any reason permitted by this

Contract of Purchase, this Contract of Purchase will terminate and neither the Underwriters nor the City will be under further obligation or have any further liability hereunder, except as to the obligations set forth in paragraph 9 hereof.

9. Expenses. The Underwriters shall be under no obligations to pay any expenses incident to the performance of the obligations of the City hereunder. All such expenses, including but not limited to: (i) the cost of the preparation and reproduction and mailing or delivery of the Ordinance, the Airline Documents, the City Documents, the Preliminary Official Statement (including any amendments or supplements thereto) and the Official Statement (including any amendments or supplements thereto prepared prior to the Closing); (ii) the costs of the preparation and printing, if any, of the Bonds; (iii) the fees and disbursements of Co-Bond Counsel to the City; (iv) the fees and disbursements of any accountants and advisors of the City and of any consultants retained by the City; (v) fees for any bond ratings; (vi) fees for state securities law filings, if any; (vii) the fees of [M.S.T.C.]; (viii) all fees and expenses relating to any credit enhancement obtained in support of the Bonds; and (ix) any other expenses incurred in connection with the issuance of the Bonds and not specifically assumed by the Underwriters hereunder, shall be paid by the Airline out of the proceeds of the Bonds or otherwise. The City shall be under no obligation to pay, and the Underwriters shall pay: (i) the cost of preparation and reproduction of the Agreement Among Underwriters and this Contract of Purchase; (ii) the costs of preparation and reproduction of the Blue Sky Memorandum and Legal Investment Survey; (iii) all advertising expenses in connection with the public offering of the Bonds; (iv) an amount, if any, required to be paid to the Municipal Securities Rulemaking Board as its special assessment; and (v) all other expenses incurred by them or any of them in connection with their public offering and distribution of the Bonds, including the fees and disbursements of counsel retained by them.

10. Notices. Any notice or other communication to be given to the City under this Contract of Purchase must be given by delivering the same in writing at the address of the City set forth above, Attention: City Comptroller, Room 501, and any notice or other communication to be given to the Underwriters under this Contract of Purchase must be given by delivering the same in writing to: Smith Barney, Harris Upham & Co., Incorporated, Three First National Plaza, Suite 5200, Chicago, Illinois 60603, Attention: Public Finance Department, or such other address as the Senior Manager shall specify in writing.

11. Parties and Interests; Successors; Survival of Representations, and Warranties and Covenants. This Contract or Purchase is made solely for the benefit of the City and the Underwriters (including the successors or assigns of any Underwriter), and no other person may acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and covenants of the City contained in this Contract of Purchase will remain operative and in full force and effect regardless of (i) any investigations

made by or on behalf of any of the Underwriters or (ii) delivery of and payment for their Bonds pursuant to this Contract of Purchase.

12. Time of the Essence. Time is of the essence in consummation of the transactions contemplated by this Contract of Purchase.

13. Counterparts. This Contract of Purchase may be executed in any number of counterparts, each of which, when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same Contract of Purchase.

14. Governing Law. This Contract of Purchase shall be governed by and construed in accordance with the laws of the State of Illinois.

15. Anti-Apartheid Compliance. Each of the Underwriters have executed the appropriate Anti-Apartheid Affidavit (the "Affidavit") attached to this Contract of Purchase as Exhibit D and incorporated into this Contract of Purchase by this reference.

The Underwriters understand and acknowledge that the City may declare a default and terminate all existing contracts with the Underwriters if the Underwriters violate any provision of Chapter 3-68 of the Municipal Code of Chicago (as applicable), including but not limited to (i) a violation of the certifications contained in the Affidavit; and (ii) the concealment of an existing contractual relationship or entering into a contractual relationship with (a) South Africa, (b) a South African business, or (c) any business or corporation for the express purpose of assisting operations in, or trading with any private or public entity located in South Africa. This right of termination is supplemental to any other remedy which the City may have under this Contract of Purchase, at law or in equity, and shall entitle the City to direct, indirect, special and consequential damages and any other applicable legal or equitable remedy.

Further, the Underwriters understand and acknowledge that any person who violates any provision of Chapter 3-68 of the Municipal Code of Chicago shall be subject to a fine of not less than $500 and not more than $1,000 for each offense. This fine shall be in addition to the remedy of termination enumerated above, and any other remedy available under applicable law.

16. Effectiveness. This Contract of Purchase will become effective upon the execution and the acceptance hereof by the appropriate officers of the

City and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

Smith Barney, Harris Upham & Co., Incorporated

George K. Baum & Company

Goldman, Sachs & Co.

Pryor, McClendon, Counts & Co. Inc.

Smith, Mitchell & Associates, Inc.

By: Smith Barney, Harris Upham & Co., Incorporated

By: ______________________
Vice President
on behalf of the
Representatives

The foregoing is hereby accepted as of the date first written above:

City of Chicago

By: ______________________
City Comptroller

Concur:

By: ______________________
Chairman, Committee on
Finance, Chicago City
Council

[Exhibits "A", "B" and "C" attached to this Contract of Purchase constitute the Official Statement, Preliminary Official Statement and Letter of Representation, respectively, to the ordinance.]

Exhibit "D" and Schedule "I" attached to this Contract of Purchase reads as follows:

Exhibit "D".

Anti-Apartheid Affidavit.

Schedule "I".

Other Underwriters.

$__________

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Lufthansa German Airlines Project)

Series 1990.

Letter Of Representation.

December ____, 1990.

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
As Manager of the several Underwriters
under the Purchase Contract
hereinafter defined

Ladies and Gentlemen:

1. Introduction. This Letter of Representation is being executed and delivered by Deutsche Lufthansa AG, doing business in the United States as Lufthansa German Airlines (the "Airline"), in order to induce Smith Barney, Harris Upham & Co., Incorporated (the "Manager"), George K. Baum & Company, Goldman, Sachs & Co., Pryor, McClendon, Counts & Co., Inc. and Smith, Mitchell & Associates, Inc. (the "Underwriters"), and the City of Chicago, Illinois (the "City") to enter into a Contract of Purchase (the "Purchase Contract"), a copy of which has been delivered to the Airline, relating to the purchase by the Underwriters of $_________ in aggregate principal amount of the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project), Series 1990 (the "Bonds"). The Bonds shall be dated, mature, bear interest and have the further terms as set forth in the Official Statement of the City dated the date hereof (such Official Statement, including the cover page, Summary Statement and all appendices attached thereto is hereinafter called the "Official Statement", except that if the Official Statement is amended with the approval of the Manager between the date hereof and the Closing (as defined in the Purchase Contract), the term "Official Statement" shall refer to the Official Statement as so amended). The Bonds are to be issued pursuant to and secured by an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project) dated as of December 1, 1990 (the "Indenture") between the City and Independence Bank of Chicago and The First National Bank of Chicago, as trustees (collectively, the "Trustee"). The proceeds from the sale of the Bonds will be used, together with interest earnings thereon, to finance (i) the Project, as defined in the Special Facility Use Agreement (Cargo Facility) dated as of December 1, 1990 (the "Agreement"), by and between the City and the Airline; (ii) the interest on the Bonds during the construction of the Project; (iii) a debt service reserve fund established under the Indenture; and (iv) the issuance expenses related to the Bonds. The land underlying the Project will be leased by the City to the Airline pursuant to a Cargo Building Site Lease dated as of December ____, 1990 (the "Site Lease"). Payment of the principal of and interest and redemption premium, if any, on the Bonds will be guaranteed by the Airline pursuant to a Guaranty from the Airline to the Trustee dated as of December 1, 1990 (the "Guaranty"). The Airline, the City and the Trustee will enter into an Arbitrage Compliance Agreement dated as of December 1, 1990 and the Airline will deliver its Project Cost and Tax Certificate dated as of the Closing (collectively, the "Tax Agreement"). [The Bonds will be remarketed by Smith Barney, Harris Upham & Co., Incorporated, as Remarketing Agent (the "Remarketing Agent"), pursuant to a Remarketing Agreement to be dated the date of issuance of the Bonds (the "Remarketing Agreement") between the Company and the Remarketing Agent. The Airline, the City, the Remarketing Agent, the Trustee and _________ (the "Tender Agent") will enter into a Tender Agent Agreement dated as of December 1, 1990 (the

"Tender Agent Agreement") pursuant to which the Tender Agent will act as tender agent, co-paying agent and co-bond registrar for the Bonds.] The Agreement, the Guaranty, the Site Lease [and] the Tax Agreement [, the Remarketing Agreement and the Tender Agent Agreement] are referred to herein as the "Airline Documents".

2. Representations, Warranties and Covenants of Airline. In consideration of the execution and delivery of the Purchase Contract by the City and the Underwriters, the Airline represents, warrants and covenants to and with the City and the Underwriters as follows:

(a) (i) The Airline is a corporation duly organized, validly existing and in good standing under the laws of the Federal Republic of Germany and 52% of the voting stock of the Airline is owned by the Federal Republic of Germany; (ii) the Airline has due corporate authority to carry on the business in which it is engaged and to own or lease and operate properties used by it in such business, as described in the Official Statement; and (iii) the Airline is duly authorized and qualified to do business and is in good standing as a foreign corporation authorized to do business in all nations, states and jurisdictions wherein the failure so to qualify would have a material adverse effect on the operations or business of the Airline; and (iv) except as set forth in the Official Statement, the Airline has all material authorization and approvals required at the date hereof to conduct its business as described or referred to in the Official Statement.

(b) The financial statements of the Airline referred to or included in the Official Statement, including the notes thereto, present fairly the financial position of the Airline 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 the regulations of the German Commercial Code applied on a consistent basis for the periods involved, and since the date of such financial statements, there has been no material adverse change in the condition, financial or otherwise, of the Airline.

(c) With respect solely to the information contained therein related to the Airline, the Project and the Airline's obligations under the Airline Documents, at the time of the Airline's execution of this Letter of Representation, the Official Statement is, and the Preliminary Official Statement dated December ___, 1990 (the "Preliminary Official Statement") as of its date of issue was, accurate in all material respects for the purposes for which its use is or was authorized. Except for the information contained in the Official Statement under the captions "Summary Statement -- The City", "-- Book-Entry Only System" and "-- The Airport", "The City", "The Airport", "Plan of Finance", "Enforceability of Remedies", "Bondholders' Risks -- Bankruptcy Issues" and "-- Possible Loss of Tax-Exempt Status", "Litigation", "Regulatory Proceedings and Proposed State Actions", "Tax Matters", "Underwriting", "Requirements of Florida's Department of Banking and Finance", "Miscellaneous" and "Authorization", and in Appendix B entitled "Form of Opinions of Co-Bond Counsel", as to which no view is expressed, the Official Statement, insofar as it relates to the Airline, the Project and the Airline's obligations under the Airline Documents, does not, and the Preliminary Official Statement, insofar as it relates to the Airline, the Project and the Airline's obligations under the Airline Documents, as of its issue date did not, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Airline authorizes the Underwriters to use the information related to the Airline, the Project and the Airline's obligations under the Airline Documents contained in the Official Statement, and consents to the use of the information related to the Airline, the Project and the Airline's obligations under the Airline Documents contained in the Preliminary Official Statement by the Underwriters prior to the date hereof, in connection with the public offering and sale of the Bonds. The Preliminary Official Statement, insofar as it relates to the Airline, the Project and the Airline's obligations under the Airline Documents is an official statement deemed final as of its date within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "1934 Act"). The Airline confirms that it approves the purchase price to be paid by the Underwriters for the Bonds, as well as the other terms of the Bonds and all of the terms and conditions of the issuance, sale and delivery of the Bonds, as set forth in the Purchase Contract, and the offering price for the Bonds and the interest rate to be borne by the Bonds as set forth in the Official Statement.

(d) Neither the Airline nor any of its subsidiaries has sustained since the date of the latest audited financial statements referred to or included in the Official Statement any loss or interference material to the Airline and its subsidiaries, taken as a whole, with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Official Statement; and, since the date as of which information is given in the Official Statement, neither the Airline nor any of its subsidiaries has incurred any liabilities or obligations, direct or contingent, or entered into any transactions, not in the ordinary course of business, which are material to the Airline and its subsidiaries, taken as a whole, and there has not been any material change in the equity capitalization or long-term debt of the Airline or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Airline and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Official Statement.

(e) (i) The Airline has full power and authority to execute and deliver this Letter of Representation and the Airline Documents and to perform its obligations hereunder and thereunder and engage in the transactions contemplated by this Letter of Representation, the Airline Documents, the Indenture and the Official Statement, and this Letter of Representation and the Airline Documents have been duly authorized by the Airline and, when executed, will constitute legal, valid and binding obligations of the Airline enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights and remedies generally and the application of equitable principles and except to the extent that the indemnification provisions of this Letter of Representation may be held to be unenforceable by applicable securities law or public policy; (ii) the Airline has taken all actions necessary to enter into this Letter of Representation and the Airline Documents and to carry out its obligations hereunder and thereunder and to approve the Bonds, the Indenture and the Official Statement; (iii) the execution, delivery and performance by the Airline under this Letter of Representation and the Airline Documents and consummation of the transactions contemplated hereby and thereby and by the Indenture and Official Statement, and the fulfillment of, and compliance with, the terms thereof will not conflict with, or result in a breach or violation of or default under, any of the terms, provisions or conditions of the Airline's governing documents or any existing law, court or administrative regulation, judgment, decree, order, agreement, indenture, mortgage, deed of trust, resolution, note agreement, lease or other agreement or instrument to which the Airline or any of its property or assets is bound and will not cause any debt of the Airline to become subject to acceleration; (iv) the enforceability of the Airline's obligations under this Letter of Representation and the Airline Documents is not subject to sovereign immunity or similar principles; (v) the officers and employees of the Airline who have executed this Letter of Representation and the Airline Documents have been duly and properly authorized to do so; (vi) the provisions of this Letter of Representation and the Agreement respecting governance, construction and submission to jurisdiction of any federal court within the federal court district of the Northern District of Illinois are valid under the laws of the Federal Republic of Germany; and (vii) a judgment obtained in any such court against the Airline would be enforceable in the courts of the Federal Republic of Germany.

(f) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, board or body, other than as described in the Official Statement, known to the Airline to be pending or threatened against or affecting the Airline, nor to be the best knowledge of the Airline, is there any basis therefor, wherein a decision, ruling or finding would materially adversely affect the transactions contemplated by the Indenture, the Bonds, the Airline Documents, the Purchase Contract, this Letter of Representation or the Official Statement or the business or condition, financial or otherwise, of the Airline or which would adversely affect the validity or enforceability of the Indenture, the Bonds, the Airline Documents, the Purchase Contract, or this Letter of Representation.

(g) All approvals, consents and orders of any governmental authority, legislative body, board, agency or commission required to be obtained by the Airline in connection with the execution and delivery by the Airline of the Airline Documents and this Letter of Representation or the consummation of the other transactions contemplated by this Letter of Representation, the Airline Documents or the Official Statement or the absence of which would materially adversely affect the due performance by the Airline of its obligations under the Airline Documents or this Letter of Representation have been duly obtained, other than approvals that may be required under state securities laws.

(h) The representations and warranties of the Airline contained in Section 2.2 of the Agreement are and will be at the Closing true and correct and there will at the Closing have been no breach by the Airline of the covenants contained in the Agreement.

(i) The Airline 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 Bonds to be applied in a manner contrary to that provided for in the Airline Documents and the Indenture.

(j) The Airline will notify the Underwriters and the City if, prior to the date of the Closing, any event occurs which is material to the business or condition, financial or otherwise, of the Airline or which makes any statement in the Official Statement with respect to the Airline, the Project or the Airline's obligations under the Airline Documents untrue in any material respect or which requires the making of any change in the Official Statement, in order to make the statements therein with respect to the Airline, the Project or the Airline's obligations under the Airline Documents not misleading, and the Airline will thereupon diligently cooperate with the Underwriters and the City and make any changes in the Official Statement which are reasonably requested by the Underwriters. After the Closing, and so long as any Underwriter or any participating dealer shall be offering the Bonds which constitute the whole or a part of their unsold participations until the earlier of (i) 90 days from the date of the Closing or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository (but in no event later than 25 days from the date of the Closing), the Airline agrees to advise the Manager and the City in writing of any development that impacts the accuracy and completeness of the key representations with respect to the Airline, the Project or the Airline's obligations under the Airline Documents contained in the Official Statement, within the meaning of Rule 15c2-12 under the 1934 Act. During that period the Airline will not adopt any amendment of, or supplement to, the Official Statement except with the written consent of the Manager and the City; and if any event relating to or affecting the Airline or the Project shall occur the result of which shall make it necessary, in the opinion of the Manager, to amend or supplement in the

Official Statement in order to make it not misleading in the light of the circumstances existing at that time, the Airline and the City shall forthwith prepare and furnish to the Underwriters, at the expense of the Airline, a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Manager, so that the Official Statement then will not contain an untrue statement of a material fact with respect to the Airline, the Project or the Airline's obligations under the Airline Documents or omit to state a material fact with respect to the Airline, the Project or the Airline's obligations under the Airline Documents necessary to make the statements therein, in light of the circumstances existing at that time, not misleading.

(k) The Airline will diligently cooperate with the Underwriters to qualify the Bonds for offer and sale under the securities laws of such states as the Underwriters may reasonably request; provided that in no event shall the Airline be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to general service of process in any jurisdiction where it is not now so subject.

(l) The Airline agrees to take all actions and perform and observe all of the obligations and covenants required to be taken, performed and observed by it in the Purchase Contract, subject to all of the terms and conditions set forth therein, including the delivery of all documents required to be delivered by it to the Underwriters at the Closing.

(m) Subject to the terms and conditions of the Purchase Contract, the Airline agrees to pay the expenses contemplated to be paid by the Airline pursuant to Paragraph 9 thereof. If the Purchase Contract shall be terminated by the Underwriters because of any failure or refusal on the part of the City or the Airline to comply with the terms or to fulfill any of the conditions of the Purchase Contract or this Letter of Representation, or if for any reason the City shall refuse to enter into the Purchase Contract in the form referred to in paragraph 1 of this Letter of Representation by 5:00 P.M., Chicago time, on December ____, 1990, or the City shall be unable to perform the obligations or comply with the conditions respectively on its part contemplated to be performed or complied with under the Purchase Contract, or if for any reason the Airline shall be unable to perform the obligations or comply with the conditions on its part contemplated to be performed or complied with under the Purchase Contract or this Letter of Representation, the Airline agrees to reimburse the Underwriters for all out-of-pocket expenses (including the fees and disbursements of their counsel) incurred by the Underwriters in connection with Airline Documents, the Purchase Contract, the Official Statement, this Letter of Representation and the offering of the Bonds contemplated thereunder and hereunder. To the extent that the City takes the necessary and timely action to authorize and approve the Official Statement, the Airline shall cause to be delivered to the Underwriters within seven business days hereof sufficient quantities of the Official Statement to enable the Underwriters to comply with their obligations under paragraph (b)(4) of Rule 15c2-12 under the 1934 Act and the rules of the Municipal Securities Rulemaking Board.

(n) Any certificate signed by an authorized officer of the Airline and delivered to the City or the Underwriters or their respective counsel shall be deemed a representation and warranty hereunder by the Airline to the City and the Underwriters as the matters covered thereby.

3. Agreement of Underwriters. The Underwriters jointly and severally agree with the Airline that subject to the execution and delivery of the Purchase Contract by 5:00 P.M., Chicago time, on December ____, 1990 by the City and the Manager, on behalf of the Underwriters, the Underwriters will perform and observe all the obligations and agreements made or undertaken by them in the Purchase Contract, subject to all of the terms and conditions set forth therein.

4. Indemnification. (a) The Airline agrees to indemnify and hold harmless the Underwriters, each person, if any, who controls any Underwriter within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), the 1934 Act or otherwise and the City and its officers and employees, against any and all losses, claims, damages, liabilities, joint or several, and expenses (including legal fees and expenses, expenses of investigation or other expenses reasonably incurred in connection with and any amount paid in settlement of, any action, suit or proceeding or any claim asserted) caused by any untrue or misleading or alleged untrue or misleading statement of a material fact within the written information furnished by the Airline and referred to or contained in the Preliminary Official Statement or the Official Statement including, without limitation, Appendix A in its entirety, or in any amendment or supplement thereto, or caused by any omission or alleged omission to state, within the written information furnished by the Airline and referred to or contained in the Preliminary Official Statement or the Official Statement, or in any amendment or supplement thereto, a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided 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, claim, damage, liability or expense arising from the sale of the 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 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, liability or expense asserted by such person, or (B) the Airline or the City, acting at the request or direction of the Airline, shall have furnished to the Manager at least twenty-four

hours prior to written confirmation of the sale by such Underwriter, proposed amendments or supplements to the Official Statement relating to the untrue or misleading or alleged untrue or misleading 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, would have corrected the statement or omission giving rise to and forming the basis for the loss, claim,damage, liability or expense asserted by such person. It is understood that the Manager shall be responsible for providing any such proposed amendments or supplements to the Official Statement to the other Underwriters on a timely basis. This indemnity agreement under this subparagraph 4(a) shall extend upon the same terms and conditions to each officer, director or partner of the Underwriters, to each officer, director or partner of any person who controls any Underwriter, to each employee of any Underwriter, to each employee of any person who controls any Underwriter, and to each officer and employee of the City. This indemnity agreement will be in addition to any liability that the Underwriters otherwise may have.

(b) The Underwriters agree to indemnify and hold harmless the Airline, each person, if any, who controls the Airline within the meaning of the Securities Act, the 1934 Act or otherwise and the City, against any and all losses, claims, damages, liabilities, joint or several, and expenses (including legal fees and expenses, expenses of investigation or other expenses reasonably incurred in connection with and any amount paid in settlement of any action, suit or proceeding or any claim asserted) caused by any untrue or misleading or alleged untrue or misleading statement of a material fact within the written information furnished by the Underwriters for use 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, within the written information furnished by the Underwriters for use in the Preliminary Official Statement, the Official Statement, or any amendment or supplement thereto, a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. This indemnity agreement under this subparagraph 4(b) shall extend upon the same terms and conditions to each officer, director, employee or partner of any person who controls the Airline and to each officer and employee of the City. This indemnity agreement will be in addition to any liability that the Underwriters otherwise may have.

(c) If any action or claim (including any governmental investigation) shall be brought or asserted against any indemnified party 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 an indemnifying party under subparagraph (a) or (b) above, such indemnified party shall promptly notify the indemnifying party in writing, and the indemnifying party shall assume the defense thereof, including the employment of counsel and the payment of all expenses. Such indemnified party 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 each indemnified party unless (i) employment thereof has been specifically authorized by the indemnifying party, (ii) the indemnifying party has failed to assume the defense and employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include any such indemnified party, and the indemnifying party and such indemnified party shall have been advised by its counsel that there are one or more legal defenses available to it which are different from or additional to those available to the indemnifying party and that representation of such indemnified party and the indemnifying party by counsel representing the indemnifying party would be inappropriate under applicable standards of professional conduct (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party); provided that the indemnifying party shall not be liable, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, for the fees and expenses of more than (A) one separate firm of attorneys at any point in time for all the Underwriters and persons controlling the Underwriters (which firm shall be designated in a written notice to the indemnifying party signed by the Manager on behalf of the Underwriters), (B) one separate firm of attorneys for the City (which firm shall be designated in a written notice to the indemnifying party signed by the City) and (C) one separate firm of attorneys for the Airline and persons controlling the Airline (which firm shall be designated in a written notice to the indemnifying party signed by the Airline). Notwithstanding the foregoing, the indemnifying party shall not be liable in connection with any such action or separate but substantially similar actions arising out of the same general allegations or circumstances, for the fees and expenses of more than one separate firm of attorneys (which firm shall be designated in a written notice to the indemnifying party signed by the indemnified party), at any point in time for such indemnified party, unless any such indemnified party shall have been advised by its counsel to the effect that there are one or more legal defenses available to it which are different from or additional to those available to another indemnified party (which advice shall have been concurred with by counsel representing such other indemnified party), and that representation of such indemnified party by a single firm of attorneys would be inappropriate under applicable standards of professional conduct. The indemnifying party shall not be liable for any settlement of such action without its consent, but if settled with the consent of the indemnifying party, or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in subparagraph (a) or (b) above is due in accordance with its terms but is for any reason held by a court to be unavailable on grounds of policy or otherwise, the Airline and the Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including legal and other expenses reasonably incurred in connection with investigating or defending same) to which the Airline and the Underwriters may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Airline and the Underwriters from the offering of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above, but also the relative fault of the Airline or the Underwriters in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Airline and the Underwriters shall be deemed to be in the same respective proportions as the net proceeds from the offering (before deducting expenses) utilized by the Airline and the underwriting discount received by the Underwriters, in each case as set forth in the Official Statement, bear to the aggregate public offering price of the Bonds. The relative fault of the Airline and the Underwriters shall be determined by a reference to, among other things, whether the untrue or alleged untrue statement of a material fact relates to written information supplied by the Airline or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Airline, the City and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subparagraph (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the foregoing provisions of this subparagraph (d). Notwithstanding the provisions of this subparagraph (d), (x) in no case shall any Underwriter be responsible for any amount in excess of the aggregate underwriting discount applicable to the Bonds purchased by such Underwriter hereunder and (y) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this subparagraph (d) are several (and not joint) in proportion to the respective principal amount of Bonds to be purchased by each Underwriter. For purposes of this paragraph 4, each officer, partner or employee of the Underwriters and each person, if any, who controls the Underwriters within the meaning of the Securities Act, the 1934 Act or otherwise shall have the same rights to contribution as the Underwriters, and each person, if any, who controls the Airline within the meaning of the Securities Act, the 1934 Act or otherwise, each officer and each director of the Airline shall have the same rights to contribution as the Airline, subject in each case to clauses (x) and (y) of this subparagraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subparagraph (d), notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this subparagraph (d).

(e) The indemnity, contribution and other agreements contained in this Letter of Representation and the representations and warranties of the Airline set forth in this Letter of Representation shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter, the Airline or the City, (ii) any termination of the Airline Documents or this Letter of Representation, and (iii) the delivery and sale of the Bonds. Any successor of any Underwriter or the City, as the case may be, shall be entitled to the benefit of the indemnity and contribution agreements contained in this paragraph 4. The term "successor" shall not include any purchaser of Bonds from any Underwriter merely because of such purchase.

5. Parties and Interests; Successors. This Letter of Representation is made solely for the benefit of the Underwriters, persons controlling any Underwriter and the City, 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 Bonds from any Underwriter merely because of such purchase.

6. Approval of Purchase Contract. The execution and delivery of this Letter of Representation by the Airline shall constitute the Airline's approval of and consent to the entering into, acceptance and execution of the Purchase Contract and performance thereunder by the Underwriters and the City.

7. Notices. Any notice or other communication to be given under this Letter of Representation may be given by delivering the same in writing to the Airline, to the Manager Legal Affairs/U.S.A. of Lufthansa German Airlines, 1640 Hempstead Turnpike, East Meadow, New York 11554; if to the Underwriters, at their respective addresses set forth on Schedule I attached hereto; and if to the City, to the address set forth on the first page hereof, Attention: City Comptroller. The Airline, the City and the Underwriters shall each be fully entitled to rely upon notice given pursuant to this paragraph 7 and to act thereon.

8. Effectiveness. This Letter of Representation shall become effective upon execution hereof. Subject to subparagraph 4(e) hereof, this Letter of Representation shall terminate if the Purchase Contract is not executed on or before December ____, 1990.

9. Governing Law; Consent to Service of Process and Jurisdiction. The validity, interpretation and performance of this Letter of Representation shall be governed by the laws of the State of Illinois. All judicial proceedings brought against the Airline with respect to this Letter of Representation may be brought in any federal court of competent

jurisdiction having situs within the boundaries of the federal court district of the Northern District of Illinois, and by execution and delivery of this Letter of Representation, the Airline accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. The Airline has irrevocably designated and appointed the representative designated on the signature page of the Site Lease under the heading "Designation of Agent for Service of Process", as its agent in Chicago, Illinois to receive on its behalf service of all process in any such proceedings in any such court (which representative shall be available to receive such service at all times), such service being hereby acknowledged by the Airline to be effective and binding service in every respect. The Airline irrevocably waives any objection (including without limitation any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Letter of Representation in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Underwriters or the City to bring proceedings against the Airline in the courts of any other jurisdiction.

10. Waiver of Sovereign Immunity. The Airline waives any rights of sovereign immunity that it may now or hereafter possess under the United States Foreign Sovereign Immunities Act or otherwise with respect to the enforceability of its obligations under this Letter of Representation, except that the Airline reserves the right to cause any proceedings brought against the Airline in the courts of any jurisdiction except the federal court district of the Northern District of Illinois to be removed to any federal court having situs within the Northern District of Illinois.

11. Counterparts. This Letter of Representation may be executed in several counterparts, which together shall constitute one and the same instrument.

Very truly yours,

Deutsche Lufthansa, AG

By: ____________________________

Title: ____________________________

By: ____________________________

Title: ___________________________

Accepted and confirmed as of the date first above written:

This _______ of December, 1990.

Smith Barney, Harris Upham & Co., Incorporated
George K. Baum & Company
Goldman, Sachs & Co.
Pryer, McClendon, Counts & Co., Inc.
Smith, Mitchell & Associates, Inc.

By: Smith Barney, Harris Upham & Co., Incorporated

By: ________________________

Title: ______________________

On behalf of the Underwriters,

Accepted and confirmed as of the date first above written:

This _______ of December, 1990.

City of Chicago

By: ________________________

Its: City Comptroller

Schedule "I" attached to this Letter of Representation reads as follows:

Schedule "I".

Smith Barney, Harris Upham & Co.,
Incorporated
1345 Avenue of the Americas
New York, New York 10105

George K. Baum & Company
54 West Hubbard Street
Suite 400
Chicago, Illinois 60610

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Pryer, McClendon, Counts & Co., Inc.
307 North Michigan Avenue
Chicago, Illinois 60601

Smith, Mitchell & Associates, Inc.
1201 Western Avenue
Suite 502
Seattle, Washington 98101

General Tax Certificate

City Of Chicago

$__,000,000

Chicago-O'Hare International Airport

Special Facility Revenue Bonds,

Series 1990.

(Lufthansa German Airlines Project)

The Undersigned, Walter K. Knorr, hereby certificates that he is the duly qualified and acting City Comptroller of the City of Chicago (the "City"), and further certifies in connection with the issuance and sale of $__________ aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1990 (Lufthansa German Airlines Project) (the "Bonds"), as follows:

1. Authorization For The Bonds; Definition Of Code And Regulations.

The Bonds are authorized and are being issued pursuant to an ordinance duly adopted by the City Council of the City on __________________, 1990 (the "Bond Ordinance"). The Bonds are secured under an Indenture of Trust, dated as of ____________ (the "Indenture"), from the City to Independence Bank of Chicago, a banking corporation organized, existing and authorized under the laws of the State of Illinois, as Trustee (the "Trustee"). For purposes of this Certificate, the term "Code" means, except as otherwise expressly provided, the Internal Revenue Code of 1986, as amended, and the term "Regulations" means applicable Income Tax Regulations promulgated thereunder, including, to the extent applicable to the Bonds, the Income Tax Regulations promulgated under the Internal Revenue Code of 1954, as amended.

2. Purpose Of The Bonds.

2.1. The Bonds are being issued in order to finance a portion of the cost of the acquisition, construction and equipping of certain capital improvements (the "Project") at Chicago-O'Hare International Airport (the "Airport") for the benefit of Lufthansa German Airlines, a corporation organized and existing under the laws of the Republic of Germany (the "Airline"). The Project is described in Exhibit A provided by the Airline and attached hereto.

2.2. Concurrently with the delivery of the Bonds, the City and the Airline will enter into a Special Facility Use Agreement (Cargo Facility) dated as of _______________ (the "Special Facility Use Agreement"), providing for the use of the Project by the Airline and the payment by the Airline of amounts sufficient to pay the principal of and interest on the Bonds.

3. Application Of Bond Proceeds.

3.1. The proceeds derived from the sale of the Bonds will be applied for the purposes, and deposited in the funds held under the Indenture, as follows:

Fund	Purpose	Amount
Construction Fund	Pay Project costs and financing costs	
Debt Service Reserve Fund	Establish a reasonably required reserve fund	

4. Exempt Facility.

4.1. A. Based on representations of the Airline and to the best knowledge of the City, no part of the acquisition, construction, or equipping of the Project commenced prior to the adoption by the City Council of the City of an ordinance (the "Inducement Ordinance") on March 21, 1990, taking official action with respect to the Project. A copy of the Inducement Ordinance is attached hereto as Exhibit B.

B. The City represents that, the Inducement Ordinance intended to bond for the construction of certain off-site capital improvements, including access roads and utilities relocation, which are necessary for the Airline to utilize the Cargo Facility ("Off-Site Improvements").

4.2. Reference is hereby made to the Airline's Project Cost and Tax Certificate, dated the date hereof, stating, among other things, that (a) the Costs of Issuance of the Bonds to be financed by the Bonds will not exceed an amount equal to 2% of the proceeds derived from the sale of the Bonds, and (b) not less than ninety-five percent (95%) of the Net Proceeds derived from the sale of the Bonds will be used to provide facilities that qualify as "airports", or facilities functionally related and subordinate thereto, within the meaning of Section 142(a)(1) of the Code and the Regulations. A copy of the Airline's Project Cost and Tax Certificate is attached hereto as Exhibit C.

4.3. Based on the advice of Bond Counsel, there are no "Imputed Proceeds" of the Bonds within the meaning of the Regulations because, pursuant to Section 1.103-8(a)(7), (a) the Bonds do not have a stated rate of interest that increases over the term of the issue, and (b) the purchase price of the Bonds is at least 95% of the aggregate principal amount of the Bonds.

4.4. The Airport is, and the Project will be, available on a regular basis for use by the general public or for use by common carriers or charter carriers that directly serve the general public.

5. Public Hearing.

5.1. On ___________, 1990, the Finance Committee of the City Council of the City held a hearing with respect to the issuance of the Bonds. The hearing was open to the public, and an opportunity was provided for all interested persons to comment on the proposed issuance of the Bonds. The Official transcript of the meeting at which the public hearing was held is attached hereto as Exhibit D-1.

5.2. As evidenced by the publisher's affidavit attached hereto as Exhibit D-2, notice of the public hearing was published in the _______________ on _______________, 1990.

6. Public Approval.

6.1. On _____________, 1990, the City Council of the City adopted an ordinance approving the issuance of the Bonds (the "Bond Ordinance"), which Bond Ordinance is attached hereto as Exhibit E.

6.2. The Project is situated entirely within the territorial boundaries of the City. The City is the owner and operator of the Airport and thus is deemed to be the only governmental unit having jurisdiction over the Airport for purposes of Section 147(f) (3) of the Code.

7. Private Activity Bond Limit.

7.1. By the adoption of the Bond Ordinance, the City has allocated to the Bonds ____________________ of its "Private Activity Volume Cap" pursuant to Section 146 of the Code. Such amount equals the portion of the Bonds used to finance the Other Property as that term is defined in Section 9(D) of the Airline's Project Cost and Tax Certificate. Such amount shall be derived from the City's 1988 Private Activity Bond Volume Cap as carried forward by the City for the Airport pursuant to a "Carryforward Election of Unused Private Activity Bond Volume Cap" (Form 8328). A copy of such election is attached hereto as Exhibit F-1. Such carried forward amount has not heretofore been used for any other bonds issued by the City, except as set forth in Exhibit F-2.

8. Reporting Requirements.

8.1. Attached hereto as Exhibit G is a copy of Internal Revenue Service Form 8038 as completed by the City with respect to the Bonds.

8.2. The City shall file an original executed copy of said Form 8038 by depositing same with the United States Postal Service for delivery to the Internal Revenue Service Center in Philadelphia, Pennsylvania on or before the fifteenth day of the second calendar month after the close of the calendar quarter that contains the Date of Issuance as defined in the Arbitrage Compliance Agreement.

8.3. The City will provide Bond Counsel a copy of the receipt of the United States Postal Service received by the City upon such deposit.

9. Average Maturity Of The Bonds.

9.1. A report has been prepared by ______________ calculating the "average reasonably expected economic life" of the assets to be financed with the proceeds of the Bonds (the "Assets"), which report is attached hereto as Exhibit H. For purposes of such report, the term "average reasonably expected economic life" has the meaning provided in Section 147(b) of the Code.

9.2. A report has been prepared by ________________ calculating the "average maturity" of the Bonds, which report is attached hereto as Exhibit I. For purposes of such report, the term "average maturity" has the meaning provided in Section 147(b) of the Code.

9.3. On the basis of the reports referred to in paragraphs 9.1 and 9.2 above, the average maturity of the Bonds (________________ years) does not exceed 120% of the average reasonably expected economic life of the Assets (________________ years) and the term of the Special Facility Use Agreement is not more than 80% of the average reasonably expected economic life of the Assets.

10. Election To Use Transition Rule.

10.1. By the Adoption of the Bond Ordinance, the City has expressly elected to apply to the Bonds $______________ of the Bond authorization set forth in Section 1317(5) (B) of the Tax Reform Act of 1986.

In Witness Whereof, The undersigned has hereunto subscribed this official signature, this ____th day of _________, 1990.

City of Chicago

By: ______________________
City Comptroller

[Exhibits A, B, C, D-1, D-2, E, F-1, F-2, G, H and I attached to this General Tax Certificate unavailable at time of printing.]

Non-Arbitrage Certification.

City of Chicago

$____,000,000

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

Series 1990.

(Lufthansa German Airlines Project)

The undersigned, Walter K. Knorr, hereby certifies that he is the duly qualified and acting City Comptroller of the City of Chicago (the "City"), and further certifies in connection with the issuance and sale of $______________ aggregate principal amount of the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1990 (Lufthansa German Airlines Project) (the "Bonds"), as follows:

1. General.

1.1. The undersigned, along with other officials of the City, is charged with the responsibility of issuing the Bonds.

1.2. This certification is made pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any Treasury Regulations heretofore or hereafter promulgated thereunder, including, to the extent applicable, Sections 1.103-13, 1.103-14, 1.103-15, 1.103-15AT, 1.148-OT through 1.148-9T, 1.149(d)-IT, and 1.150-OT through 1.150-IT as amended to the date hereof (the "Regulations"). Words and phrases used herein have the same meanings as used in the Code and the Regulations unless otherwise defined herein or unless another meaning shall be apparent from the context.

1.3. The City has not been notified of any listing or proposed listing of the City by the Internal Revenue Service as a bond issuer whose certifications may not be relied upon.

1.4. This certification is based on facts, estimates and circumstances in existence on the date of issuance of the Bonds.

1.5. The facts, estimates and circumstances or any representations regarding thereto set forth herein are made in reliance upon statements and information supplied by or on behalf of the Airline (as herein defined) as of the date hereof.

1.6. To the best of my knowledge, information and belief, the conclusions, representations and expectations set out in this certification are reasonable, and there are no facts, estimates or circumstances that would materially change such conclusions, representations and expectations.

2. Definitions.

Except as otherwise defined herein, the capitalized terms used herein shall for all purposes of this Certification have the meanings specified in the Arbitrage Compliance Agreement unless otherwise specified in this paragraph 2, or unless the context clearly requires otherwise.

"Airline" means Lufthansa German Airlines, a corporation organized and existing under the laws of the Republic of France, and its successors and assigns.

"Arbitrage Compliance Agreement" means the Arbitrage Compliance Agreement, dated as of _____________, among the City, the Airline and the Trustee.

"Special Facility Use Agreement" means the Special Facility Use Agreement (Cargo Facility), dated as of ____________, between the City and the Airline.

"Trustee" means Independence Bank of Chicago, a banking corporation organized, existing and authorized under the laws of the State of Illinois, and its successors and assigns, as Trustee under the Indenture of Trust, dated as of ____________, from the City to the Trustee ("Indenture").

3. Authorization And Description Of The Bonds.

3.1. The Bonds are authorized and issued pursuant to an Ordinance entitled "An Ordinance Providing for the Financing by the City of Chicago of Certain Airport Related Facilities, Authorizing the Issuance of Not To Exceed $__,000,000 Chicago-O'Hare International Airport Special Facility Revenue Bonds (Lufthansa German Airlines Project) Series 1990 and Confirming the Sale Thereof, 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 Special Facility Use Agreement, an Indenture of Trust, a Bond Purchase Agreement and Related Documents", duly adopted by the City Council of the City on ______________(the "Bond Ordinance"). The Bonds are secured under an Indenture of Trust, dated as of _________________ from the City to the Trustee.

3.2. The Bonds mature on May 1, 2018.

3.3. The Indenture contains interest rate and tender provisions that apply to the Bonds. Attached hereto as Exhibit A is a description of such interest rate and tender provisions.

4. Purpose Of Bonds.

4.1. The proceeds of the Bonds will be applied to (a) acquire, construct, and equip capital improvements at Chicago-O'Hare International Airport (including Capitalized Interest) as set forth in the Indenture (the "Project"), (b) establish and fund the Debt Service Reserve Fund, and (c) pay the Costs of Issuance of the Bonds and the initial fees and charges of the Credit Provider (as defined in the Indenture), if any. No portion of the Bonds is being issued solely for the purpose of investing the proceeds thereof at a yield which exceeds the Yield on the Bonds.

4.2. The Original Proceeds and Investment Proceeds of the Bonds do not exceed the amount required to accomplish the governmental purposes for which the Bonds are being issued. "Original Proceeds" and

"Investment Proceeds", for purposes of this Certification, have the meanings given such terms in Section 1.103-13(b)(2) of the Regulations.

4.3. Attached hereto as Exhibit B is a summary of Projected Sources and Uses of Funds in connection with the Bonds.

4.4. No Replacement. The City does not have on hand any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Bonds are being issued which, instead of being used for such purposes, will now be invested at a yield in excess of the Yield on the Bonds.

5. Sale Of The Bonds.

5.1. The Bonds have been sold to __________, and ____________, for a purchase price of ______________, reflecting an underwriting discount of _______________ (or _______________% of the aggregate principal amount of the Bonds). An amount equal to ____________ is the initial offering price at which a substantial amount of the Bonds was sold to the public (excluding bond houses and brokers) as evidenced by the letter from __________ attached hereto as Exhibit C.

6. Expectations As To Use Of Proceeds.

6.1. The Airline has, prior to the delivery of the Bonds, incurred substantial binding obligations with respect to the Project equal to at least $100,000. Acquisition, construction, and equipping of the improvements to be financed with the proceeds of the Bonds will proceed with due diligence. It is anticipated that in excess of eighty-five percent (85%) of the spendable proceeds of the Bonds will be expended prior to _____________. On the basis of the foregoing, Bond proceeds deposited into the Construction Fund will be invested for a temporary period without restriction as to yield for the period beginning on the date of issuance of the Bonds and ending upon the expenditure thereof, but not beyond ________________. After the expiration of such period, the yield realized on such investments will not exceed the Yield on the Bonds by more than one-eighth of one percent.

6.2. Proceeds of the Bonds deposited into the Construction Fund to pay Costs of Issuance are expected to be disbursed no later than _________.

6.3. Investment earnings realized from the investment of the proceeds of the Bonds may be invested without regard to yield restriction during a one-year period beginning on the date of receipt of such investment earnings. After the expiration of such one-year period, the yield realized on such investment earnings will not exceed the yield on the Bonds by more than one-eighth of one percent.

7. Minor Portion.

7.1. The "minor portion" determined with reference to the Bonds has been calculated to be $100,000, which is equal to the lesser of (a) 5% of the principal amount of the Bonds (__________), or (b) $100,000.

8. Establishment Of Funds Under The Indenture.

8.1. The Indenture creates and establishes the following Funds and Accounts:

(1) Construction Fund:

(a) Costs of Issuance Account

(b) Capitalized Interest Account

(c) Construction Account

(2) Bond Fund:

(a) Principal Account

(b) Interest Account

(3) Special Facility Revenue Fund

(4) Debt Service Reserve Fund

(5) Rebate Fund

8.2. The amount deposited in the Debt Service Reserve Fund does not exceed 10% of the proceeds of the Bonds. ________________________ (The "Underwriter") has stated in its letter attached hereto as Exhibit D that funding and maintenance of the Debt Service Reserve Fund at an amount equal to the Debt Service Reserve Fund Requirement for the Bonds (1) is necessary to successfully market the Bonds and that reserve funds similar to the Debt Service Reserve Fund are customarily used in connection with the issuance of tax-exempt bonds which are comparable to the Bonds, (2) does not exceed 125% of average annual debt service on the Bonds ($____________), and (3) does not exceed the maximum annual debt service on the Bonds ($________). Accordingly, the Debt Service Reserve Fund constitutes a reasonably required reserve fund for purposes of Section 1.103-14(d) of the Regulations.

9. Letter Of Credit.

The Underwriter has stated in a certificate attached hereto as Exhibit E, which the City has no reason to believe is untrue, that (i) the Letter of Credit (as defined in the Indenture) provided by the Bank (as defined in the Indenture) was essential in marketing the Bonds at the interest rate at which the Bonds were sold, (ii) the absence of the Letter of Credit would have materially affected in an adverse manner the interest rate at which the Bonds could have been sold, and (iii) the present value of the fees paid and to be paid for the Letter of Credit (including payment of its counsel's fees) is less than the present value of the interest reasonably expected to be saved over the term of the Letter of Credit as a result of using the Letter of Credit to secure the Bonds over the term of the Letter of Credit, using as the discount rate the expected yield at maturity on the Bonds treating the fees paid and to be paid for the Letter of Credit (including payment of its counsel's fees) as interest on the Bonds.

Attached hereto as Exhibit F is a letter of the Bank relating to the Bank, the Letter of Credit and its fee structure.

10. General Restriction As To Yield; Temporary Periods.

10.1. The Airline has covenanted in the Arbitrage Compliance Agreement not to permit the investment of any amounts constituting Gross Proceeds of the Bonds in Nonpurpose Investments having a Yield in excess of one-eighth (1/8) of one percent (1%) above the Yield on the Bonds, except as otherwise expressly permitted in paragraphs 10.2 through 10.6 hereof.

10.2. Bond Proceeds and Investment Proceeds deposited into the Construction Fund will be invested for a temporary period without restriction as to yield pursuant to Section 148(c) of the Code and the applicable Regulations.

10.3. Amounts derived from sources other than the proceeds of the Bonds and deposited from time to time into the Bond Fund (other than in the Rebate Fund, as described in Section 11.2) will be invested for a temporary period without restriction as to yield pursuant to Section 148(c) of the Code and the applicable Regulations, since such amounts will be depleted once each year (commencing upon the date of deposit therein) except for a carryover amount not to exceed 1/12 of annual debt service.

10.4. Amounts derived from sources other than the proceeds of the Bonds and deposited from time to time in the Rebate Fund will be invested without restriction as to yield, since such amounts are not pledged to pay, nor expected to be used for the payment of, principal of or interest on the Bonds.

10.5. Except as provided in Section 10.2, Investment Proceeds will be invested without restriction as to yield for a temporary period commencing upon the date of receipt thereof and ending one year thereafter.

10.6. The times and amounts of payments under the Special Facility Use Agreement to be paid to the Trustee by the Airline for the account of the City have been calculated to provide for the deposit of moneys in the Bond Fund which will be equal to the amount necessary to enable the City to pay, when due, the interest and principal payments on the Bonds. All income from the investment of the amounts held by the Trustee in the Funds established under the Indenture inures to the benefit of the Airline. The administrative costs of issuing, carrying or repaying the Bonds and (assuming the Special Facility Use Agreement is an acquired purpose obligation within the meaning of the Regulations) the costs of purchasing, carrying and selling or redeeming the Special Facility Use Agreement will be borne by the Airline and paid by the Airline either directly or by reimbursement of such payments made by the City. Under these circumstances, the undersigned has been advised by Bond Counsel that the Yield on the Special Facility Use Agreement does not exceed the Yield on the Bonds. No other obligations are to be acquired with the proceeds of the Bonds except obligations to be purchased with the proceeds of the Bonds which are to be deposited in the Construction Fund, Bond Fund, and the Debt Service Reserve Fund, established under the Indenture. It is not expected that the payments required to be paid under the Special Facility Use Agreement will be prepaid.

11. Amounts Treated As Proceeds.

The City does not expect that the City, the Trustee, or the Airline will accumulate amounts of money in a fund or series of funds which is pledged or reasonably expected to be used to pay principal of or interest on the Bonds (or to replace funds used to pay principal of or interest on the Bonds), other than the Debt Service Reserve Fund and amounts (together with any investment earnings thereon) expected to be spent within twelve

(12) months from the date of receipt thereof and deposited into the Bond Fund created under the Indenture. Pursuant to the Special Facility Use Agreement, the Airline is required to pay to the Trustee, for deposit into the Special Facility Revenue Fund, amounts which will be sufficient, together with other moneys held by the Trustee and available for such purpose, to enable the City to pay, when due, the interest and principal payments on the Bonds. The Special Facility Revenue Fund has been established to provide a proper matching of payments under the Special Facility Use Agreement with the debt service payments on the Bonds.

12. Arbitrage Compliance Agreement.

12.1. Concurrently with the execution and delivery of this Certification, the City, the Airline and the Trustee have entered into the Arbitrage Compliance Agreement with respect to the requirements of Section 148(f) of the Code.

12.2. The Indenture contemplates the creation of a Rebate Fund into which is required to be deposited all amounts calculated to be due and owing to the United States, all as set forth in the Arbitrage Compliance Agreement.

13. General Restrictions.

For purposes of determining the amount held in any Fund, investments will be taken into account at the purchase price thereof, provided that if an investment was purchased at a discount or results in interest payments for any annual period in excess of interest payments for any preceding annual period (reflecting the annual reinvestment of accrued interest as principal), the accrued amount of such discount or such excess interest, determined by treating the discount or excess interest as accruing ratably over the term of the obligation (not discounted to present value), is required to be added to the purchase price.

14. No Disposition Of Improvements.

The City has no present plan or intention to sell or otherwise dispose of all or any portion of the Project.

15. Bonds Not Part Of Another Issue.

There are no other governmental obligations (a) issued at substantially the same time as the Bonds, (b) sold pursuant to a common plan of financing with the Bonds, and (c) that will be paid out of substantially the same source of funds (or that will have substantially the same claim to be paid out of substantially the same source of funds) as will be used to pay the Bonds.

16. No Federal Guarantee.

No portion of the payment of debt service with respect to any part of the Bonds has been guaranteed, directly or indirectly (including by means of a lease or grant or other subsidy), by the United States (or any agency or instrumentality thereof).

In Witness Whereof, The undersigned has hereunto subscribed his official signature this ____th day of ______________, 1990.

City of Chicago

By: ____________________
City Comptroller

[Exhibits A, B, C, D, E and F attached to this Non-Arbitrage Certification unavailable at time of printing.]

Arbitrage Compliance Agreement.

This Arbitrage Compliance Agreement (the "Agreement"), dated as of ________________, is entered into by and among 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"), Lufthansa German Airlines, a corporation organized and existing under the laws of the Republic of Germany (the "Airline"), and Independence Bank of Chicago, a banking corporation organized, existing and authorized under the laws of the State of Illinois and having its principal corporate trust office in Chicago, Illinois, as Trustee (the "Trustee").

Witnesseth:

Whereas, This Agreement is being executed and delivered in connection with the issuance of the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1990 (Lufthansa German Airlines Project) ("Bonds"), for the purpose of financing a portion of the cost of acquiring, constructing, and equipping capital improvements at Chicago-O'Hare International Airport (the "Project"); and

Whereas, The Bonds are issued under and secured by an Indenture of Trust, dated as of __________________ (the "Indenture"), from the City to the Trustee; and

Whereas, Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations relating thereto (the "Regulations") impose certain requirements relating to the investment and use of funds held by the Trustee under the Indenture in order to preserve the exemption from Federal income taxation of interest on the Bonds; and

Whereas, The parties hereto have determined to enter into this Agreement in order to assure that such requirements as applied to the Bonds are fully satisfied on a continuous basis;

Now, Therefore, In consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, the Airline and the Trustee hereby agree as follows:

Article I.

Definitions.

Except as otherwise defined herein, the terms used herein shall for all purposes of this Agreement have the meanings specified in Article I of the Indenture, unless the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used in this Agreement shall have the following meanings:

"Accountant" means a certified public accountant or firm of certified public accountants selected by the Airline and satisfactory to the City, which may be a certified public accountant regularly employed by the Airline.

"Agreement" has the meaning specified in the recitations preceding Article I.

"Airline" has the meaning specified in the recitations preceding Article I.

"Bond Year" means the period from ________________ of each year to, but not including, ____________________ of the next year.

"Bonds" has the meaning specified in the recitations preceding Article I.

"City" has the meaning specified in the recitations preceding Article I.

"Code" has the meaning specified in the recitations preceding Article I.

"Computation Date" means the Installment Computation Date or the Final Computation Date.

"Date of Issuance" means __________________.

"Deficiency Amount" has the meaning specified in Section 2.7.

"Final Computation Date" means the date the last Bond that is part of this issue is discharged.

"Gross Proceeds" means:

(a) all amounts derived by the City from the sale of the Bonds and deposited into the Construction Fund and Investment Proceeds derived therefrom;

(b) amounts held from time to time in the Bond Fund and Investment Proceeds derived therefrom; and

(c) any other amounts that constitute "Gross Proceeds" of the Bonds under the Code and the Regulations.

"Higher Yielding Investments" has the meaning specified in Section 3.5.

"Indenture" has the meaning specified in the recitations preceding Article I.

"Initial Offering Price" means $______________.

"Installment Computation Date" means the last day of the fifth Bond Year and the last day of each succeeding fifth Bond Year unless modified pursuant to Section 2.9.

"Investment Excess" has the meaning specified in Section 3.6.

"Investment Proceeds" means amounts earned from the investment of the Gross Proceeds of the Bonds and the reinvestment of such earnings.

"Investment Property" means any security (within the meaning of Section 165(g)(2) (A) or (B) of the Code), any obligation, any annuity contract or any property of any kind acquired for investment, provided that the term "Investment Property" shall not include Tax-Exempt Obligations.

"Investment Restriction Determination Date" means each of the following dates: (a) the last day of each Bond Year and (b) any date on which any portion of principal of the Bonds is paid prior to maturity resulting in a reduction in the scheduled debt service for the current Bond Year.

"Nonpurpose Investment" means any Investment Property acquired with Gross Proceeds of the Bonds and not acquired to carry out the governmental purpose of the issue, but shall not include the Special Facility Use Agreement.

"Nonpurpose Investment Yield Limit" equals the Yield on the Bonds as determined in Section 3.2.

"Project" has the meaning specified in the recitations preceding Article I.

"Purchase Price" means the fair market value of a Nonpurpose Investment on the date it is purchased, or, if later, the date on which the Nonpurpose Investment is pledged as security for the Bonds regardless of the amount actually paid for such Nonpurpose Investment, without taking into account fees and commissions paid in connection with the acquisition of such Nonpurpose Investment.

"Rebate Fund" means the fund of that name referred to in Section 2.5.

"Regulations" has the meaning specified in the recitations preceding Article I.

"Special Facility Use Agreement" means the Special Facility Use Agreement (Cargo Facility), dated as of ______________, between the City and the Airline.

"Tax-Exempt Obligation" means (i) any obligation, the interest on which is excludible from the gross income of the owner thereof for federal income tax purposes under Section 103(a) of the Code, and (ii) any other security that is not treated as "investment property" pursuant to Treasury Regulations or an official announcement of the Internal Revenue Service.

"Trustee" has the meaning specified in the recitations preceding Article I.

"Value" in reference to a Nonpurpose Investment means the Purchase Price of the Nonpurpose Investment, unless the Nonpurpose Investment is required to be revalued periodically, in which case the Nonpurpose Investment's Value is equal to its most recent value as so periodically revalued.

"Yield" on a Nonpurpose Investment shall be determined pursuant to the Regulations and generally means the discount factor which, when used to compute the present worth of all payments of principal and interest to be paid with respect to such Investment, produces an amount equal to its Purchase Price.

Article II.

Rebate Of Excess Earnings.

Section 2.1. Covenant To Comply With Rebate Requirement.

The Airline shall make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the rebate requirements contained in Section 148(f) of the Code and the Regulations with respect to the Bonds. Without limiting the foregoing, promptly following the Completion Date and within 10 days of each Computation Date, the Airline shall calculate or cause to be calculated the amount of arbitrage rebate, if any, due to the United States as of such date and the Trustee shall transfer the amount so determined to the Rebate Account. Transfers or payments necessary at any time to comply with the application of the arbitrage rebate requirement to the Bonds may be made from any Fund or Account held under the Indenture.

Section 2.2. Rebate Regarding Debt Service Funds.

Earnings on Nonpurpose Investments held in the Bond Fund are generally taken into account for purposes of the rebate requirement imposed by Section 148(f) of the Code and the Regulations. However, earnings in such Funds shall not be included in the computation of the amount to be paid to the United States government in Bond Years during which such earnings are less than $100,000.

Section 2.3. Accountant To Prepare Reports.

The City shall prepare and file with the Internal Revenue Service, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the issue was issued, a Form 8038 attached hereto as Exhibit A. Copies of such Form shall be furnished to the Airline and the Trustee.

Section 2.4. Trustee To Maintain Records.

The Trustee shall maintain adequate records pertaining to the funds and all *transfers thereto, deposits therein, disbursements and transfers* therefrom and earnings thereon, including the amount and source of each payment to, and the amount, purpose and payee of each payment from, each such fund. With respect to each Nonpurpose Investment, the Trustee shall maintain a record of the Purchase Price, purchase date, type of security, accrued interest paid, interest rate, principal amount, date of maturity, interest payment date, date of liquidation and amount received upon liquidation. If any investment becomes Gross Proceeds of the Bonds, including investments which are pledged or which are legally required or otherwise restricted to be used to pay principal of, premium, if any, or interest on the Bonds, the records required to be kept shall include the market value of such investment on the date it is so pledged or becomes so required or restricted. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the market value of such investment on the date the last Bond is retired. Amounts will be segregated wherever held in order to maintain these records. Such records shall be made available to the City promptly upon its reasonable request. The Trustee shall furnish any Accountant engaged by the Airline with such information as shall be reasonably necessary for the Accountant to perform its duties. Such records shall be retained by the Trustee for at least six (6) years following the final payment and retirement of the Bonds.

Section 2.5. Rebate Fund.

The Trustee shall create and maintain under the Indenture for the term of the Bonds a fund to be known as the "Rebate Fund". Amounts on deposit from time to time in the Rebate Fund shall be used only for the purpose of satisfying the requirements of Section 148(f) of the Code and shall not constitute a portion of the Trust Estate created under such Indenture. The Rebate Fund need not be maintained if the Airline obtains, and delivers to the Trustee and the City, an opinion of Bond Counsel to the effect that failure to maintain the Rebate Fund will not cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or otherwise adversely affect the exclusion from gross income of interest on the bonds for federal income tax purposes. Amounts deposited to the Rebate Fund, and any earnings attributable to the investment thereof, shall be held in trust for future payment to the United States Government to the extent required by, and in accordance with, Section 148(f) of the Code and the Regulations. Moneys held in the Rebate Fund shall not be pledged as security for the payment of the principal of, premium, if any, or interest payable on the Bonds and shall remain in the Rebate Fund until either (a) the money is disbursed to the United States or (b) a determination is made by the Trustee that such funds are not owed to the United States under the rebate requirement of Section 148(f) of the Code based on calculations by Bond Counsel or an Accountant.

Section 2.6. Investment Of Rebate Fund.

(a) The Airline will direct the Trustee to continuously invest all amounts on deposit in the Rebate Fund in any investment permitted under the Indenture other than investments for which interest thereon is excludible from gross income for federal income tax purposes. In making such investments, the Airline shall take into account prudent investment standards and the Trustee shall perform such trusts as an ordinarily prudent trustee under a corporate mortgage and the Airline and the Trustee shall take into account the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence, due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit account of a bank, including the Trustee, with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

(b) Moneys to be rebated to the United States shall be invested in investments maturing on or prior to the anticipated rebate date. All investments of Gross Proceeds and amounts in the Rebate Fund shall be bought and sold at market prices, and no transaction shall be entered into that reduces the amount to be rebated to the United States because such transaction results in a smaller profit or larger loss than would have resulted if the transaction had been at arm's length and had the rebate requirement not been relevant to either party.

Section 2.7. Payments To The United States.

On or before the 60th day following each Installment Computation Date, the Trustee shall remit to the Internal Revenue Service an amount not less than 90% of the amount due to the United States under Code Section 148(f). On the latest of (a) the 60th day following the Final Computation Date, (b) 8 months after the Date of Issuance, and (c) the earlier of the date the City, based on the representations of the Airline, no longer reasonably expects Section 148(f)(4)(B) to apply to the issue and 14 months after the Date of Issuance, the Trustee shall remit 100% of the amount due to the United States under Code Section 148(f) to the Internal Revenue Service. Such payments shall be made from amounts on deposit in the Rebate Fund to the extent monies are available in such Fund. If and to the extent sufficient amounts are not available in the Rebate Fund, or any other fund which may be transferred to the Rebate Fund, to make such payment, or otherwise fund the Rebate Fund pursuant to Section 2.1 hereof, the Trustee shall notify the Airline within fifteen (15) days following the most recent Computation Date of the amount (the "Deficiency Amount") necessary, together with amounts on deposit in the Rebate Fund, to enable the Trustee to make such payment to the United States or otherwise fund the Rebate Fund pursuant to Section 2.1 hereof. The Airline shall pay the Deficiency Amount to the Trustee within five (5) days of receipt of notice from the Trustee of the Deficiency Amount. Each such payment to the United States shall be mailed by certified mail (return-receipt requested) to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, and shall be accompanied by Form 8038-T.

Section 2.8. Payments Of Penalty In Lieu Of Loss Of Tax Exemptions.

In addition to the Deficiency Amount, the Airline shall pay to the Trustee an amount sufficient to enable the Trustee to make all necessary payments pursuant to Regulation Section 1.148-1T(c) (3) to the extent such provision is available to avoid the loss of tax exemption of the Bonds.

Section 2.9. Yield Period Election.

If the bonds bear interest at a variable rate, the City elects under Temp. Treas. Reg. Section 1.148-3T(b) (2) (ii) (B) to treat the last day of each Bond Year as a Computation Date of purposes of Section 148(f) of the Code regarding rebate, which allows the computation of yield on the Bonds over a one-year period instead of a five-year period.

The above election is deemed part of the official transcript of the proceedings relating to the issuance of the Bonds and shall be maintained until six years after the date on which the last Bond is discharged.

Article III.

Investments And Matters Relating To Yield.

Section 3.1. Issue Price.

When relevant for purposes of this Agreement, "issue price" has the same meaning given such term by Sections 1273 and 1274 of the Code and has been calculated in the manner provided under those sections of the Code, the Regulations promulgated thereunder and under Section 1.148-8T(c) and 1.150-1T(c) (2) of the Regulations.

Section 3.2. Definition Of Yield.

When relevant for purposes of this Agreement, "Yield on the Bonds" means the discount rate that when used in computing the present value of all of the unconditionally payable payments of principal and interest and all payment, if any, for a qualified guarantee (within the meaning of Section 1.148-3T(a)(12) of the Regulations) paid and to be paid with respect to the Bonds produces an amount equal to the present value, computed as of the date of issue of the Bonds, of the issue price of the Bonds. Yield on the Bonds has been calculated by ____________ in the manner provided in Sections 1.148-3T and 1.148-9T and all other applicable sections of the Regulations to be not less than ______________, as disclosed in the report attached hereto as Exhibit A.

Section 3.3. Yield-To-Maturity On The Bonds.

The Yield-to-Maturity on the Bonds does not exceed the lowest Yield on the Bonds by more than one-fourth of one percentage point. For this purpose, "yield-to-maturity" means the Yield on the Bonds determined by assuming that each of the Bonds is retired on its stated maturity date for its stated retirement price on such date, and the "lowest" Yield on the Bonds is the Yield determined by assuming that each of the Bonds is retired on the date (for the stated retirement price on the date) which produces the lowest yield.

Section 3.4. Investment Yield Limitations.

(a) The City, based on representations of the Airline, and Airline reasonably expect that all Gross Proceeds, to the extent not exempted in (b) below, shall be invested at market prices and at a yield not in excess of the Yield on the Bonds plus, for amounts in the Construction Fund only, one-eighth of one percent. Without limiting the foregoing, amounts deposited in the Special Facility Revenue Fund which are not reasonably expected to be transferred to the Bond Fund shall be invested at a yield not to exceed the Yield on the Bonds.

(b) Except as provided in Section 3.5 below, the following Gross Proceeds may be invested without regard to yield restrictions:

(i) amounts in the Rebate Fund;

(ii) amounts deposited in the Bond Fund, and that portion of the amounts deposited in the Special Facility Revenue Fund to be transferred to the Bond Fund, that are reasonably expected to be expended within 13 months from the date of first deposit in any fund under the Indentures and have not been on deposit thereunder for more than 13 months;

(iii) proceeds of the Bonds (including investment earnings) on deposit in the Construction Fund prior to the earlier of completion (or abandonment) of the Project or three years from the Closing;

(iv) amounts in the Debt Service Reserve Fund;

(v) earnings attributable to the investment of Gross Proceeds for a period of one year from the date of receipt; and

(vi) all amounts for the first 30 days after they become Gross Proceeds.

Section 3.5. 150% Of Debt Service Limitation.

Except as otherwise provided in Section 3.6, at no time shall the Value of Nonpurpose Investment having a Yield in excess of one-eighth of one percent (.125%) higher than the Nonpurpose Investment Yield Limit and held during a period that is not a "temporary period" specified in the Non-Arbitrage Certification relating to the Bonds ("Higher Yielding Investments") exceed 150% of the scheduled debt service for the current Bond Year. For purposes of calculating scheduled debt service on the Bonds, the interest rate to be applied to the Bonds during the current Bond Year shall be equal to the Nonpurpose Investment Yield Limit.

Section 3.6. Required Reduction Of Certain Investments.

(A) On or prior to the fifteenth (15th) day following each Investment Restriction Determination Date, the Airline shall make, or cause to be made, the following determinations:

First, the Airline shall calculate the Value of Higher Yielding Investments held on such Investment Restriction Determination Date.

Second, if the Value of Higher Yielding Investments as of such Investment Restriction Determinate Date exceeds one hundred fifty percent (150%) of the amount of scheduled debt service during the Bond Year for which the calculation is made ("Investment Excess"), the Airline shall determine whether Higher Yielding Investments equal in Value to the amount of the Investment Excess can be liquidated without incurring a loss and, if not, the amount of such loss.

Third, if an amount of Higher Yielding Investments equal to the Investment Excess can be liquidated only at a loss, the Airline shall ascertain whether the amount of such loss is greater or less than the amount of the rebate payment to the United States which would otherwise be required as a result of such Investment Excess.

(B) If Higher Yielding Investments can be liquidated without loss, or if the loss that would be realized is less than the rebate payment to the United States which would otherwise be required as a result of such Investment Excess, the Airline shall, within thirty (30) days of such Investment Restriction Determination Date, cause the Trustee to liquidate such Higher Yielding Investments (but, in no event in an amount which exceeds the Investment Excess), and shall invest the proceeds of such liquidation at a Yield not in excess of the Nonpurpose Investment Yield Limit (including through the purchase of United States Treasury Obligations -- State and Local Government Series) or in Tax-Exempt Obligations.

(C) If, after the application of Section 3.6(B) above, Higher Yielding Investments equal in Value to the amount of the Investment Excess can be liquidated only at a loss that is greater than the amount of the rebate payment to the United States which would otherwise be required as a result of such Investment Excess, no liquidation of such Higher Yielding Investments shall be required; provided, however, that when the rebate payment to the United States is greater than the loss determine under paragraph (A) above, the provisions of paragraph (B) above shall apply with respect to such Investment Excess.

3.2. No portion of the proceeds of the Bonds may be invested, directly or indirectly, in federally insured deposits or accounts, or otherwise cause such proceeds to be federally guaranteed, except as permitted by Section 149(b) (3) (B) of the Code.

Article IV.

Purchase And Sale Of Investment.

Section 4.1. Purchase Or Sale At Fair Market Value.

Whenever any Nonpurpose Investment is purchased or sold, such purchase or sale shall be made only at the fair market value of such Nonpurpose Investment. The fair market value of Nonpurpose Investment shall be the mean of the bid and offered prices on an established market where such Nonpurpose Investment is traded on the date of purchase or sale, or, if earlier, on the date of a binding contract to purchase or sell such Nonpurpose Investment, or, if there are no bid and offered prices on such date, on the first day preceding such date for which there are bid and offered prices. A United States Treasury obligation purchased directly from the United States Treasury is treated as satisfying these requirements. Any other Nonpurpose Investment for which there is not an established market shall not be purchased or sold, except as permitted by Section 4.2 or Section 4.3.

Section 4.2. Certificate Of Deposit.

The purchase or sale of a certificate of deposit issued by a commercial bank is permitted if the price at which it is purchased or sold is the bona fide bid price quoted by a dealer who maintains an active secondary market in such certificates of deposit. If there is no active secondary market in such certificates of deposit, the purchase or sale of a certificate of deposit is permitted only if the certificate of deposit has a Yield that is both:

(i) as high as or higher than the Yield on comparable obligations traded on an active secondary market, as certified by a dealer who maintains such a market, and

(ii) as high or higher than the Yield available on comparable obligations offered by the United States Treasury.

The certification described in the preceding sentence must be executed by a dealer who maintains an active secondary market in comparable certificates of deposit, and must be based on actual trades adjusted to reflect the size and term of that certificate of deposit and the stability and reputation of the person issuing the certificate of deposit.

Section 4.3. Investment Contracts.

Investment obligations are permitted to be purchased or sold pursuant to an investment contract only if all of the following conditions are satisfied:

(A) at least three bids on the investment contract are received from persons other than those having an interest in the Bonds,

(B) a certification is provided by the person whose bid is accepted stating that, based on that person's reasonable expectations on the date that the contract is entered into, investment obligations will not be purchased pursuant to the investment contract at a price in excess of their fair market value, or sold pursuant to the investment contract at a price less than their fair market value,

(C) the Yield on the investment contract is at least equal to the Yield offered under the highest bid received from a noninterested party, and

(D) the Yield on the investment contract is at least equal to the Yield offered on similar investment contracts (e.g., investment contracts entered into by issuers of qualified mortgage bonds).

Article V.

Miscellaneous.

Section 5.1. Appointment Of Trustee As Attorney-In-Fact.

The parties acknowledge and agree that the continued exemption of interest on the Bonds from federal income taxation is dependent upon, among other things, full compliance from and after the date hereof with the provisions and requirements of this Agreement. Reference is hereby made to the provisions of the Indenture which require the Trustee on behalf of the owners of the Bonds to take any and all action which may be required to assure full compliance with the terms and conditions of this Agreement. The City and the Airline each hereby irrevocably designates and appoints the Trustee as its true and lawful attorney, in its name, place and stead, to take all action which may be required to assure such full compliance. It is expressly intended by the City and the Airline that the foregoing power of attorney is irrevocable and is coupled with an interest, and shall survive the sale or assignment of the Project by the Airline.

Section 5.2. Limitation On Liability Of City.

No recourse shall be had for any claim based upon any obligation, covenant or agreement contained herein against the City or any officer, employee or agent of the City, under any rule of law or equity, statutory or constitutional provision or by the enforcement of any penalty or assessment, it being understood that the Airline and the Trustee expressly assume all responsibility for full compliance with the terms and conditions of this Agreement. The Airline agrees to indemnify and hold harmless the City against any losses, claims or liabilities, joint or several, to which the City may become subject under federal or state laws or regulations, or otherwise, insofar as such losses, claims, damages or liabilities arise as a result of, or are based upon, a breach of any obligation, covenant or agreement of the Airline contained herein.

Section 5.3. Responsibility Of Trustee.

By the execution of this Agreement, the Trustee agrees to perform such duties and take such actions as are expressly set forth herein. The Trustee's responsibilities herein shall be supplemental to those set forth in the Indenture, provided that the provisions of the Indenture relating to administration of the Indenture shall apply to this Agreement as if such provisions were fully set forth herein.

Section 5.4. Fees And Expenses Of Accountant; Appointment Of Accountant By City Or Trustee.

The Airline agrees to pay the fees, expenses and charges of any Accountant engaged by the Airline in connection with this Agreement. If the Airline fails to engage an Accountant at the times herein required, the City or the Trustee may engage an Accountant at the cost and expense of the Airline.

Section 5.5. Not A Device.

The Bonds are not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code, or any provisions of the Regulations, by enabling the City or the Airline to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and increasing the burden on the market for tax-exempt obligations.

Section 5.6. City Not Disqualified.

The City has not been disqualified or notified of any disqualification or proposed disqualification of it by the Internal Revenue Service as a bond issuer which may certify bond issues under Section 1.103-13(a)(2)(ii) of the Regulations.

Section 5.7. Hedge Bonds.

The City, based on representations of the Airline, and the Airline reasonably expect that 85% of the spendable proceeds of the Bonds will be spent on the Project within three years of the date of their issuance. For purposes of this paragraph, "spendable proceeds" means the proceeds received upon the sale of the Bonds minus the sum of (a) the costs of issuance paid from the Bond proceeds, (b) the amount deposited in the Debt Service Reserve Fund, (c) $100,000, and (d) the amount deposited in the Capitalized Interest Account. Also, with respect to the Bonds, not more than 50% of the proceeds of the issue were or will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more.

Section 5.8. Amendments.

The parties hereto agree that this Agreement shall be amended from time to time, without the consent of the owners of the Bonds, as shall be necessary, in the opinion of Bond Counsel, to preserve the federal tax exemption of interest on the Bonds. Any such amendment shall be made by a written instrument executed by the City, the Airline and the Trustee and no such amendment shall be made other than in accordance with an opinion of Bond Counsel as described in the preceding sentence.

Section 5.9. Severability.

If any clause, provision or section of this Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof.

Section 5.10. Counterparts.

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

Section 5.11. Notices.

All notices, demands, communications and requests which may or are required to be given hereunder or by any party hereto shall be given and shall have the same effect as provided in the Special Facility Use Agreement for notices given thereunder.

Section 5.12. Successors And Assigns.

The terms, provisions, covenants and conditions of this Agreement shall bind and inure to the benefit of the respective successors and assigns of the City, the Trustee and the Airline.

Section 5.13. Headings.

The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

Section 5.14. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

In Witness Whereof, The parties have caused this Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the day first above written.

City of Chicago

By: ______________________________
City Comptroller

Attest:

____
City Clerk

Lufthansa German Airlines, a corporation organized and existing under the laws of the Republic of Germany

By: ______________________________
Its: ______________________________

By: ______________________________
Its: ______________________________

Independence Bank of Chicago,
Trustee

By: ____________________________
Its: __________________________

Attest:

____
Its: __________________________

[Exhibit "A" attached to this Arbitrage Compliance Agreement unavailable at time of printing.]

Cargo Building Site Lease

Between

The City Of Chicago

And

Lufthansa German Airlines.

This Cargo Building Site Lease is made and entered into as of the ____ day of _________, 19____, by and between the City of Chicago, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution") having a population in excess of 25,000, and a home rule unit under Section 6(a) of Article VII of the Constitution ("City"), and Lufthansa German Airlines, a corporation organized and existing under and by virtue of the laws of the Federal Republic of Germany ("Airline").

Witnesseth:

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

Whereas, Airline is or wishes to become engaged in the Air Transportation of Freight and Cargo Business (as hereinafter defined) at the Airport and desires to lease for such purposes certain premises and facilities at the Airport and to obtain certain rights and privileges with respect thereto; and

Whereas, City is willing to lease to Airline such premises and facilities, and to grant to Airline such rights and privileges, upon the terms and conditions hereinafter provided.

Now, Therefore, For and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, the parties hereto covenant and agree as follows:

Article I.

1.01 Lease Of Premises.

City hereby leases to Airline, and Airline hereby leases from City, the land depicted and described on Exhibit A hereto which consists of approximately 441,571 square feet ("Demised Premises"), and any buildings and improvements now or hereafter located thereon, together with the facilities, rights and privileges hereinafter described, subject only to a reservation of easement rights to City for access to public utilities traversing the Demised Premises for the maintenance and replacement thereof, said access by City to occur only after giving Airline reasonable prior notice. City shall use reasonable efforts to deliver possession of the Demised Premises to Airline upon completion of the service road and utilities serving the Demised Premises (projected to be December 1, 1990) or such earlier date as the parties hereto shall agree. If City is unable to deliver possession on or before said date for any reason, the Commissioner of Aviation of the City (the "Commissioner") shall give Airline written notice of the reason for such delay and the estimated revised date of delivery, and City shall not be subject to any liability for delay in giving possession. The date on which City actually delivers possession of the Demised Premises to Airline is referred to herein as the "Delivery Date".

1.02 Early Entry.

After obtaining the prior written approval of the Commissioner in each specific instance, Airline shall have the right to go on the Demised Premises and the Common Areas (as defined in Section 3.02 below) at Airline's sole risk prior to the Delivery Date for the purpose of preparing the Demised Premises for Airline's occupancy and preparing certain portions of the Common Areas for use by Airline and other authorized tenants within the Cargo Areas (as defined in Section 3.02 below). This right shall include the right to construct Improvements and Common Improvements (as such terms are defined in Section 4.01 hereof) for which all approvals, consents and permits required by any appropriate governmental body, agency or division and by the terms of this Lease have been previously obtained. At any time that Airline enters the Demised Premises or the Common Areas prior to the Delivery Date for any purpose whatsoever, all the indemnifications and covenants of Airline contained in this Lease (except the covenant to pay rent) shall apply to such early entry, and Airline acknowledges that any early entry is at the sole risk of Airline and that the Commissioner may refuse to grant or withdraw this right of early entry at any time that the Commissioner, in his sole discretion, determines that such early entry is having or will have an adverse material impact on any construction or other operation of the Airport. Airline further acknowledges that, notwithstanding any amounts spent by Airline on Improvements or Common Improvements, City shall have no liability whatsoever for any delay in the Delivery Date. Airline shall not begin to conduct any operations on the Demised Premises in respect of its Air Transportation of Freight and Cargo Business prior to the Delivery Date unless the prior written consent of the Commissioner has been given.

1.03 Operation Of Cargo Site.

Airline is hereby granted the exclusive use of the Demised Premises, subject to the terms and provisions hereof, to all applicable laws, rules, regulations, codes, ordinances and orders as set forth herein, and to the applicable terms and provisions of the International Terminal Use Agreement (as hereinafter defined) for any and all purposes reasonably necessary or convenient in connection with the conduct by Airline, its sublessees or assigns, of the Air Transportation of Freight and Cargo Business, which shall mean the following uses and activities:

(a) The receiving, delivering, dispatching, processing, handling and storing of air cargo, mail and other property;

(b) The fueling, loading and unloading upon the Demised Premises of property, air cargo, livestock and mail upon or from aircraft by such means as may be necessary or convenient;

(c) The loading, unloading and parking of automobiles and trucks relating to its freight and air cargo operations;

(d) The maintenance and operation of buildings, facilities and equipment, including satellite and telecommunication equipment (after having obtained all required F.A.A. and other permits and approvals) and the carrying on of activities reasonably necessary or convenient in connection with its freight and air cargo operations;

(e) The installation, maintenance and operation of customer relations, security facilities and equipment, crew quarters, training facilities, operations offices, cargo reservation offices and administration offices, lockers, restrooms and related facilities, baggage, cargo and mailhandling and storage facilities and equipment, non-cargo reservation offices and administration offices, so long as such services do not become a primary or significant use but remain incidental to the primary use of the Demised Premises which shall remain the storage, handling and transshipment of air cargo, mail and other property;

(f) The maintenance and operation, by Airline or by an independent contractor, of an employees' cafeteria, the preparation and serving of foods and beverages (including the maintenance and operation of vending machines dispensing such food and beverages, tobacco products and other merchandise) for consumption by Airline's on-site employees, including the imposition of charges for such food and beverages;

(g) The enplaning, deplaning and handling of passengers upon and from aircraft in commercial or retail flights, pursuant to such terms and conditions as agreed between Airline and the Commissioner. There shall be no separate charges or fees due under this Lease for such activity although Airline may be required to pay charges or fees under other agreements such as the International Terminal Use Agreement. All passengers handled pursuant to this provision must be shuttled to a terminal area for processing. In no event shall this provision be interpreted as allowing retail passenger operations other than the incidental handling of passengers in irregular operation situations;

(h) Taxiing, parking, storing, maintaining, conditioning and repairing (to the extent such are considered routine ramp servicing) of aircraft and equipment;

(i) The receiving, dispatching, handling and storing of property for use by Airline in its cargo operations at the Airport; and

(j) The handling of air cargo of other persons engaged in the air transportation business by Airline pursuant to the provisions of Section 1.06 below.

Nothing in this Lease shall be deemed to permit the conduct by Airline of any cargo and freight business other than the operation of an Air Transportation of Freight and Cargo Business, and such business shall not include the transportation of commercial or retail passengers to and from the Demised Premises except as provided above.

Airline may use the Demised Premises for uses other than those specified in this section only upon the written approval of the Commissioner. The grant of such approval shall be in the sole discretion of the Commissioner after due consideration of Airline's request.

It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to Airline to provide the services described in this Section 1.03 to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and City reserves the right to grant to others the privileges and rights to conduct any one or all of the activities described herein.

1.04 Ingress And Egress.

Subject to rules and regulations promulgated by City in accordance with Article VI hereof, Airline, its sublessees or assigns, shall have the right and privilege (i) of ingress to and egress from the Demised Premises for its or their employees, agents, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, and its or their aircraft, equipment, vehicles, machinery and other property; and (ii) to provide transportation of employees of Airline to, from and within the Airport. In addition, any other party engaged in the Air Transportation of Freight and Cargo Business that is handled by Airline at the Demised Premises pursuant to the provisions of Section 1.06 below shall have the right of ingress to and egress from the Demised Premises for the sole purpose of having said party's air cargo handled by Airline. Except as otherwise specifically provided in this Lease, the International Terminal Use Agreement or any other agreement applicable to Airline's operations at the Airport, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents, guests, patrons and invitees, or its or their suppliers of materials and furnishers of service, for (i) such right of ingress and egress, (ii) the privilege of purchasing, selling or using for a purpose herein permitted any materials or services purchased or otherwise obtained by Airline, or its sublessees or assigns, (iii) transporting, loading, unloading or handling persons, property, cargo, or mail in connection with Airline's business of Air Transportation of Freight and Cargo, or its sublessees' or assigns' business, (iv) exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas or sightseeing facilities, (but there shall be no charges or fees assessed against Airline or its employees, agents, representatives or invitees for parking their vehicles on the Demised Premises in connection with Airline's operations on the Demised Premises), or for the use of ground transportation to, from or within the Airport furnished by City or its concessionaires or for the furnishing or sale by City or its concessionaires to the public at the Airport of services, insurance, food and merchandise, or preclude City from imposing any tax, charge, permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder or under the International Use Agreement. Notwithstanding the foregoing, nothing in this Section 1.04 shall be deemed to preclude City from levying a passenger facility charge or other similar taxes or fees at the Airport. Nothing herein shall preclude Airline from contesting such charge or tax if enacted or promulgated by City. Subject to the provisions of Exhibit D attached hereto, Airline shall have the right to purchase or otherwise obtain property and services of any nature from any suppliers of its choice.

Airline shall not block or otherwise obstruct common use Taxiways or access roads with aircraft or groundside vehicles, respectively, at any time or in any manner which will impair or adversely affect the use or operation of said Taxiways or access road areas.

1.05 Sublease, Assignment Or Other Transfer Of Demised Premises And Improvements.

(a) Except as provided in subsections (b) and (c) of this Section 1.05, Airline shall not, without the prior written consent of the Commissioner in each instance, which consent may be withheld in the Commissioner's sole and absolute discretion, (i) assign or transfer, mortgage, pledge, hypothecate or encumber or subject to or permit to exist upon or be subjected to any lien or charge, this Lease or any interest under it; (ii) allow to exist or occur any transfer of or lien upon this Lease or Airline's interest herein by operation of law; (iii) sublet the Demised Premises, the Improvements or any part thereof; or (iv) permit the use or occupancy of the Demised Premises, the Improvements or any part thereof for the purpose not provided for herein or by anyone other than Airline and Airline's employees. In addition, there shall not be any further subleasing, assignment or transfer of interest in this Lease, the Demised Premises or the Improvements by any subtenant or assignee approved under the provisions of subsection 1.05(b) below, even though the further subleasing, assignment or transfer may be of the type described in subsection 1.05(b), without the prior written consent of the Commissioner in each instance, which consent may be withheld in the Commissioner's sole and absolute discretion.

(b) Airline may sublet portions of the Demises Premises and the Improvements to the following, provided, however, that any such sublease shall be subject to the prior written approval of the Commissioner, which approval shall not be unreasonably withheld:

(i) Any party for the sole and exclusive purpose of providing handling services at the Demised Premises to Airline or any other occupant of the Demised Premises; or

(ii) Any other party conducting Air Transportation of Freight and Cargo Business at the Demised Premises until Airline has sublet up to 35% of the floor space in the Improvements to such parties (and after five years from the date upon which rent begins accruing pursuant to Section 3.01 hereof, up to only 25% of the floor space in the Improvements to such parties).

(c) Upon the giving of at least thirty (30) days prior written notice to the Commissioner, Airline may sublet any portion of the Demised Premises or the Improvements to any subsidiary or other company engaged in the Air Transportation of Freight and Cargo Business provided Airline has a more than 50% ownership interest of such subsidiary or other company.

(d) For purposes of subsection 1.05(b) herein, Airline agrees that the withholding by the Commissioner of his consent to any proposed assignment or subletting will not be deemed "unreasonable" if (i) the proposed assignee or subtenant is disreputable, noncreditworthy or otherwise not in keeping with the nature or class of tenants in the Cargo Areas, or (ii) the use of the Demised Premises or Improvements by the proposed assignee or subtenant would, in City's reasonable judgment, have a material adverse impact on the operation of the Cargo Areas or the Airport.

(e) In no event shall this Lease or any rights or privileges hereunder be an asset of Airline under any bankruptcy, insolvency or reorganization proceedings.

(f) Consent to any assignment, subletting, use or occupancy, or transfer shall not operate to relieve, release or discharge Airline of or from primary liability under this Lease, and Airline shall remain liable hereunder except to the extent, if any, expressly provided for in such consent. Nor shall consent in any one instance be deemed to be a consent to or relieve Airline from obtaining consent to any subsequent assignment, transfer, lien, charge, subletting, use or occupancy. Any request by Airline or any subtenant or assignee of Airline, for consent to a proposed assignment, sublease or other transfer of interest in this Lease shall be accompanied by reasonably sufficient information about the subtenant, assignee or transferee to enable the Commissioner or City Council of the City, whichever is appropriate, to fully evaluate the proposed transaction. The subtenants, assignees or transferees shall agree to comply with and be bound by all terms, covenants, conditions, provisions and agreements of this Lease to the extent of the space sublet or assigned, and Airline shall deliver to the Commissioner within thirty (30) days after execution, an executed copy of each such sublease or assignment and an agreement of compliance by each such subtenant, assignee or transferee. Airline shall pay all of City's reasonable and otherwise unreimbursed costs, charges and expenses, including attorney's fees, incurred in connection with any assignment, sublease or other transfer requested or made by Airline.

(g) Notwithstanding the requirements contained in this Section 1.05 for obtaining consent, in the case where Airline is proposing to assign or sublease all of the Demised Premises and the Improvements, such assignment or sublease shall be made only after obtaining the written consent of the City Council of the City, which consent may be given or withheld in the sole discretion of the City Council of the City.

(h) In no event shall Airline have the right to make a partial assignment of this Lease or any interest hereunder.

1.06 Handling Agreements.

For so long as Airline actively conducts the Air Transportation of Freight and Cargo Business at the Airport, the Demised Premises and any public areas of the Airport which Airline has a right to use in common with others may also be used by Airline for the handling, by Airline's employees or handling agents retained by Airline, of freight and cargo operations of other persons engaged in the Air Transportation of Freight and Cargo Business to the same extent as they may be used for the operations of Airline; provided, however, that (a) Airline shall remain liable for all of its obligations hereunder, (b) Airline shall give the Commissioner written notice of any such handling arrangement at least thirty (30) days prior to the effective date thereof, and (c) no handling arrangement shall be allowed if the Commissioner objects in writing to it on the basis of material adverse impact to Airport operations within such thirty (30) day period. Commissioner shall have the right to withhold his consent in his sole discretion to any proposed sublease of a portion of the Demised Premises or the Improvements to any party providing handling services from the Demised Premises to others located outside the Demised Premises.

Article II.

2.01 Term.

The term of this Lease shall be for a period commencing on the Delivery Date and terminating on May 11, 2018, unless sooner terminated in accordance with the provisions set forth herein.

Article III.

3.01 Rent.

(a) At such time and in such manner as set forth in subsection (b) Airline shall pay City the following rent:

> $.45 per square foot of the Demised Premises per year for 441,571 square feet, of which up to $.10 shall be used for the O. & M. Fund described in Section 3.02 below.

(b) Rent shall begin accruing hereunder on the earliest of (i) the date of substantial completion of the Improvements, (ii) September 1, 1992, or (iii) the date Airline begins the operation of its Air Transportation of Freight and Cargo Business on the Demised Premises with the prior written consent of the Commissioner. From and after the time rent begins so accruing and continuing throughout the term of this Lease, Airline shall pay City, not later than the first business day of each month, one-twelfth of the annual rent as set forth above, for such month. All such rent shall be paid to the Comptroller of the City of Chicago at his office in City Hall, Chicago, Illinois or such other place as may be designated. Rent for the first and last months of this Lease shall be prorated, if necessary.

(c) Rent payable hereunder shall be increased beginning on the January 1 following the fifth anniversary date of the Delivery Date, and on January 1 every five years thereafter by multiplying the $.45 per square foot set forth in Section 3.01(a) above by a fraction, the numerator of which is the Producer Price Index/All Commodities ("P.P.I.") published by the United States Department of Labor, Bureau of Labor Statistics (January, 1982 = 100) for the month of December preceding said January 1, and the denominator of which is the P.P.I. for the month in which the Delivery Date occurred. Each yearly period for which the P.P.I. is being recalculated hereunder is referred to herein as a "Recalculation Period". Upon receipt by

Airline of written notice from the Commissioner, rent, as so adjusted, shall be paid in the manner set forth in subparagraph (b) above.

If the manner in which the P.P.I. is determined by the Department of Labor is substantially revised, City shall adjust the revised index which would produce results equivalent, as nearly as possible, to those which would have been obtained if the method of determining the P.P.I. had not been revised. If the P.P.I. is discontinued or otherwise becomes unavailable to the public, City shall substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or department, or if no such index is available, a comparable index published by a recognized financial institution, financial publication, or university.

If the computation of aforesaid increase in rent cannot be completed until after the beginning of a Recalculation Period, Airline shall continue to pay rent at the then current rate until the information for completing the computation is available. Any shortfall in prior rental payments determined by said computation shall be paid to City within sixty (60) days after the Commissioner supplies Airline with said computation.

3.02 Operation And Maintenance Expense.

"Cargo Areas" shall mean the portion of the Airport defined as such on Exhibit E entitled O'Hare Cargo Areas Layout Plan attached hereto and herein incorporated, and the "Common Areas" shall mean all portions of the Cargo Areas not leased exclusively to other parties.

Thirty (30) days prior to the first payment of O. & M. Expenses (as hereinafter defined) due under this Section 3.02 and not later than seventy (70) days prior to the end of each Fiscal Year (as hereinafter defined) thereafter, the Commissioner shall furnish Airline with a projection of the O. & M. Expenses for the Common Areas for the next Fiscal Year. On the first date that rent is due under the provisions of Section 3.01(b) above, and on each date that rent is due thereafter, Airline shall pay to City an amount equal to one-twelfth (1/12) of Airline's pro rata share of the projected O. & M. Expenses for the Fiscal Year in excess of $.10 per square foot of the Demised Premises. Airline's pro rata share shall be a fraction in which the total square footage leased to Airline pursuant to Section 1.01 is the numerator and the total square footage of all land leased in the Cargo Areas is the denominator. Upon request by Airline, City shall provide Airline with the square footage figures for other tenants and total area of the Cargo Areas.

Not later than the one hundred ninetieth (190th) day of each Fiscal Year, City shall furnish Airline with a revised projection of O. & M. Expenses for the Cargo Areas which shall reflect the most recently available information with regard to the amounts being incurred as O.& M. Expenses in the Cargo

Areas. If the revised projection forecasts expenses that would result in an overpayment or underpayment by Airline of five percent (5%) or more of the amount needed for the O. & M. Expenses, payments under this section shall be adjusted to conform to the revised projection. In no event shall the O. & M. Expenses under this section, as so adjusted, be less than zero. Any surplus amounts collected by the City for O. & M. Expenses through the end of a Fiscal Year over the actual O. & M. Expenses incurred during said Fiscal Year shall be carried over to cover O. & M. Expenses for the following Fiscal Year or costs incurred during said Fiscal Year in the repair, replacement or reconstruction of those capital facilities provided to the Common Areas, including, but not limited to, sewer and water line repairs or replacements, Cargo Areas apron and Taxiway repavement or replacement, right-of-way improvements or replacements (including costs of right-of-way expansion or relocation). In the event that at the end of a Fiscal Year City determines that the amounts paid by Airline and other tenants for O. & M. Expenses were not sufficient to cover all O. & M. Expenses incurred during the Fiscal Year, the Commissioner may provide written notice to Airline of its pro rata share of any such deficiency, and Airline shall pay all such deficiency within thirty (30) days of receipt by Airline of such notice.

The City will maintain accurate records allocating O. & M. Expenses for each Fiscal Year. Within six (6) months following the close of each Fiscal Year, City shall furnish Airline with a copy of an annual audit report ("Final Audit") prepared in accordance with generally accepted accounting principles and certified by an independent accountant or outside auditors covering the O. & M. Expenses for such preceding Fiscal Year and setting forth the O. & M. Expenses paid by Airline during the prior Fiscal Year.

The payment by Airline to City, and the acceptance by City from Airline, of any amount hereunder shall not preclude either Airline or City from questioning, within a period of six (6) months from the date of receipt by Airline of the Final Audit, the accuracy of any statement on the basis of which such payment was made, or preclude City from making, within such period, any claim against Airline for any additional amount payable by Airline hereunder.

In the event that the cost to be incurred by the City in the repair, replacement or reconstruction of those capital facilities provided to the Common Areas exceeds $75,000 per project in excess of any insurance proceeds received by the City for such facilities, the City shall not make any expenditures or issue any obligations to finance the cost thereof for any such repair, replacement or reconstruction project unless and until such project and the financing thereof has been approved by a Majority-In-Interest. For purposes of this Lease, a "Majority-In-Interest" shall be deemed the decision or action of tenants leasing a majority of the square footage of land at the Cargo Areas that is leased to tenants having a right to participate in such decision. Upon the request of Airline, City shall provide Airline with the names of all other such tenants and the square footage of land they lease within the Cargo Areas and the total square footage of land leased in the

Cargo Areas. At least forty-five (45) days before making any expenditure or issuing any obligations for a capital project requiring approval hereunder, City shall submit a proposal in writing to all tenants at the Cargo Areas having a right to participate in such decision, which proposal shall include an estimate of (a) the cost of such project, (b) the operation and maintenance expenses and debt service, if any, resulting therefrom, (c) the sources and use of funds and the terms of any financing, if any, (d) the construction schedule, descriptions and justification for any such project, and (e) the projected impact on fees and charges, all in sufficient detail to enable the tenants to make an informed judgment on the appropriateness of such project and financing. A project and financing shall be deemed to be approved if a Majority-In-Interest approves it.

3.03 Assessments For Capital Costs.

In the event that at any time the Commissioner determines that there is needed any repair, replacement or reconstruction of capital facilities located in the Common Areas, and if required, said replacement or reconstruction has been approved by a Majority-In-Interest, Airline shall pay, by means of a deficiency assessment, its pro rata share of any costs of performing such replacement or reconstruction at such time as requested by the Commissioner. Airline's pro rata share shall be determined by multiplying the amount of such costs anticipated to be incurred by a fraction with the total square footage leased by the Airline for cargo facilities at the Cargo Areas as the numerator and the total square footage of all land leased in the Cargo Areas as the denominator.

3.04 Taxes.

Airline shall be responsible for payment of all applicable taxes levied against the Demised Premises and Improvements and shall pay such taxes directly to the appropriate taxing agency. Airline shall provide the Commissioner with copies of all notices relating to such taxes within thirty (30) days of request and shall, upon request, provide the Commissioner with a receipt indicating payment of such taxes. Nothing herein shall preclude Airline from contesting such charge or tax including those enacted or promulgated by City.

3.05 Capital Improvement Reimbursement.

Upon full execution of this Lease, Airline shall pay to the City an amount equal to (i) $2.00 per square foot of the Demised Premises as set forth in

Section 1.01 above, and (ii) 41% of the cost of installation by City of the service road and utilities described in Section 1.01 above.

3.06 Utilities.

Airline shall be responsible for payment of all costs of water, electricity, natural gas, telephone service and all other utility services for the Demised Premises and Improvements, whether furnished by City or purchased by City on behalf of Airline or furnished by independent contractors.

Article IV.

4.01 Construction Of Improvements.

After securing necessary permits therefor, Airline shall erect and install certain capital improvements ("Common Improvements") to the Common Areas as more particularly described and at the expense of the parties set forth on Exhibit B attached hereto. In addition, Airline shall erect and install on the Demised Premises after securing necessary permits therefor such other structures, aircraft parking apron, and improvements (together the "Improvements") as are appropriate and necessary for Airline to conduct the Air Transportation of Freight and Cargo Business on the Demised Premises and as more specifically set forth in Exhibit A attached hereto. Design and construction of the Improvements and Common Improvements shall be accomplished in accordance with the provisions of Exhibits C and D attached hereto, and construction thereof shall not be commenced until Airline has obtained all approvals, permits and licenses required by any governmental authority. Airline shall pay its allocable share of the costs of the Common Improvements, as set forth on Exhibit B. In the event City enters into agreements with other parties for the right to use or receive the benefit of any of the Common Improvements, City agrees to use reasonable efforts to obtain an agreement for a pro rata reimbursement for Airline's cost of installing such Common Improvements. In no event, however, shall City be liable to Airline for failure to obtain such an agreement or for any such reimbursement or related costs, nor shall City be obligated to then initiate any legal proceedings on behalf of Airline or any other party for the purpose of collecting any reimbursements due to Airline.

In the event the City does not enter into agreements with other parties for the right to use or receive the benefit of the Common Improvements, City shall not be liable to Airline for any costs of the Common Improvements.

If Airline makes a request to construct connections with any roadway, fueling, water line, sewer line, drainage ditch and utility line serving the

Demised Premises, and the plans and specifications for construction of such connections are approved by the City, such approval not to be unreasonably withheld, such connection shall be deemed Improvements for purposes of this Lease.

The failure of Airline to commence construction operations on the Improvements and/or Common Improvements within one year of the Delivery Date and complete such construction within two years of the Delivery Date shall be deemed a material default hereunder by Airline entitling City to all its rights and remedies under Article XI hereof. Said time periods shall be extended for delays that are outside the reasonable control of Airline, provided that Airline gives City written notice of any such delay within ten (10) days after the commencement of the delay.

4.02 Maintenance And Repair.

(a) Airline shall be responsible for and shall perform or cause to be performed maintenance and repair of the Improvements and shall clean and keep clear of debris the Improvements and the Demised Premises. Airline shall at all times at the Demised Premises:

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

(ii) Maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs, replacements, and painting, such repairs, replacements, and painting by Airline to be of a quality and class not inferior to the standards set forth in the appropriate rules and regulations adopted by the City for the Airport. In addition, for any equipment installed in or on the Demised Premises that is purchased using the proceeds of any special facilities financing sponsored by City, Airline shall repair, maintain and replace such equipment as is necessary to assure that at the end of the term hereof the fair market value of such equipment and its remaining useful life will be consistent with, and sufficient to establish for applicable tax and accounting purposes, ownership of such equipment by City;

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

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

(v) Replace any portion of the structure of any buildings on the Demised Premises that may be destroyed or need replacement for any reason whatsoever.

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

4.03 Title.

Title to the Improvements shall vest in City free and clear of any liens or encumbrances upon certification by an engineer employed by City that construction of the Improvements has been completed or, if this Lease is terminated for any reason prior to completion of the Improvements, title in the Improvements then completed and any materials and equipment then located on the Demised Premises intended to be incorporated into the Improvements shall vest in City at the time of such termination. This Section 4.03 shall not apply to any personal property of Airline located on the Demised Premises.

4.04 Signs.

Any advertising signs installed by Airline or its sublessees or assigns on the Demised Premises shall be limited to those which advertise the Air Transportation of Freight and Cargo Business of the Airline or its sublessees or assigns. The number, general type, size, design and location of such signs shall be subject to all rules and regulations promulgated by the City regarding such signs, as such rules and regulations may be amended.

4.05 Lighting.

Airline shall install, maintain, and operate such obstruction or warning lights on structures located on the Demised Premises as may from time to time be required to conform to standards prescribed by the City and the Federal Aviation Administration or any other governmental agency having jurisdiction over the Demised Premises.

4.06 Covenant Against Liens.

Airline shall keep the Demised Premises and the Improvements and its interest under this Lease free and clear of liens, except as may be approved by the Commissioner, which might arise out of any act by Airline; provided, however, that Airline may in good faith contest the validity of any lien. In the event of the filing of any lien against the Demised Premises as a result of any act or omission of Airline and Airline is contesting the validity of such lien, Airline shall promptly provide City with evidence reasonably satisfactory to City that such contest shall prevent the perfection of any such lien. If City believes that the evidence provided by Airline is insufficient or unsatisfactory, Airline shall escrow with City any amounts necessary to satisfy any contested lien. The execution and delivery by Airline of a Special Facility Use Agreement and related documents and instruments in connection with special facilities financing sponsored by City for the construction of the Improvements and/or Common Improvements shall not constitute a violation of this Section 4.06.

4.07 Performance By City Upon Failure Of Airline To Maintain.

In the event Airline fails to perform any obligation set forth in Section 4.02 above for a period of forty-five (45) days after receipt of written notice from the Commissioner so to do, or if such obligation cannot be performed within forty-five (45) days and Airline has not diligently begun to perform or is not continuing to diligently perform such obligation, City may enter the Demised Premises (without such entering causing or constituting a termination of this Lease or an interference with the possession of said premises by Airline) and do all things necessary to perform such obligation, and Airline shall pay City the reasonable cost and expense of such performance when invoiced in addition to any other amounts payable by Airline hereunder. If Airline's failure to perform any such obligation endangers the safety of the public or of employees of City and the notice to Airline so states, the City may perform such obligations if Airline does not immediately proceed to perform such obligations.

4.08 Inspection.

City, by its representatives, shall have the right at any reasonable time and, upon the giving of reasonable notice (telephone notice being reasonable), to inspect the Demised Premises and Improvements and direct Airline to make ordinary repairs. City representatives shall notify Airline's representative on the Demised Premises at the beginning of any inspections.

4.09 Non-Disturbance.

The operations of Airline and its employees on the Demised Premises shall be conducted in an orderly and proper manner and, given the nature of the Air Transportation of Freight and Cargo Business, shall not otherwise annoy, disturb or be offensive to others at the Airport. Upon request from the Commissioner to Airline to correct the demeanor or conduct of Airline's employees, Airline shall forthwith comply with such request.

4.10 Compliance With Prevailing Wage.

All construction contracts awarded by Airline in connection with the Improvements, Common Improvements and the Demised Premises in the amounts of $1,000.00 or more, or as otherwise required by law ("Construction Contracts") shall contain provisions complying with Chapter 48, Section 39S-2, et seq., Ill. Rev. Stat. 1989, as it may be amended ("Act"), so long as the Act is in effect, in order to ensure that such persons covered by the Act are paid the prevailing wage rate as ascertained by the Illinois Department of Labor ("Department of Labor"). All Construction Contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed in the Construction Contract. If the Department of Labor revises such prevailing wage rates, the revised rates shall apply to any Construction Contracts. Upon request by City, Airline shall provide City with copies of all Construction Contracts to evidence compliance with the provisions of the Act.

Article V.

5.01 Facilities Furnished By City.

City shall deliver the Demised Premises in a rough graded condition in accordance with the specifications of O'Hare Development Project No. 402. City makes no warranty as to the environmental conditions of the Demised Premises or the adequacy of the Demised Premises for Airline's intended purpose other than that the site has been prepared in accordance with O.D.P. No. 402. Airline may use existing taxiways, roadways, water lines, sewer lines and drainage ditches in common with others; provided, however, that Airline shall be required to pay the costs of all utilities including, but not limited to, all charges for direct metered water supplied by City to Airline through any such water line and charges for electricity furnished to the Demised Premises. Other than City's preparation of the site in accordance with O.D.P. No. 402, Airline agrees that it is taking possession of the Demised Premises in its "as is" condition, and Airline shall be responsible for the compliance of the Demised Premises and any conditions thereon with all applicable laws, statutes, codes, ordinances, rules, regulations and orders, whether or not any such condition existed prior to or after the taking of possession by Airline. Airline waives any and all claims which may currently exist or which may arise in the future by contract, common law or statutes currently in effect, as amended or subsequently enacted, and which relate to environmental condition on, under, or near the Demised Premises.

5.02 Maintenance And Operation Of Airport.

City shall operate and maintain in a manner consistent with that of a reasonably prudent operator of an Airport, and keep in good condition and repair, all taxiways, roadways, water lines, sewer lines, drainage ditches, additions, improvements, facilities and equipment now or hereafter provided by City serving the Demised Premises but located outside the Demised Premises, including the removal of snow, ice, vegetation, stones and other foreign matter as reasonably as may be done, from taxiways, connections therefrom, and roadways. This Section 5.02 shall not be construed to alter the fact that the costs and expenses of such operation for the Common Areas shall be borne by Airline and other tenants of the Cargo Areas as previously described in Sections 3.02 and 3.03 above.

5.03 Exclusive Possession.

Subject to the provisions of this Lease, City covenants that so long as Airline performs all of its obligations hereunder, it shall be entitled to and shall have the exclusive possession and enjoyment of the Demised Premises, and the rights and privileges leased to it hereunder.

5.04 Performance By Airline Upon Failure Of City To Maintain And Operate.

In the event City fails to perform any obligation set forth in Section 5.02 above for a period of forty-five (45) days after receipt of written notice from Airline so to do, or if such obligation cannot be performed within forty-five (45) days and City has not diligently begun to perform or is not continuing to diligently perform such obligation, Airline may perform such obligation of City and do all things necessary to perform such obligation and City shall pay Airline the reasonable cost and expense of such performance but only out of available airport funds, if any, upon the submission of paid receipts by Airline. If City's failure to perform such obligations endangers the safety of the public, of employees of Airline or Airline's Air Transportation of Freight and Cargo Business on the Demised Premises and Airline so states in its notice to City, Airline may perform such obligations if City does not immediately proceed to perform such obligations.

Article VI.

6.01 Rules And Regulations.

(a) Airline shall obey all rules and regulations governing the conduct and operation of the Airport promulgated from time to time by City; provided, however, that such rules and regulations must be neither (i) inconsistent with the exercise by Airline of any right or privilege granted to it hereunder or under any other agreement between Airline and City relating to the Airport, nor (ii) inconsistent with the rules, regulations, or orders of any federal or state agency having jurisdiction over the Airport. Except in cases of emergency, no such rule or regulation shall be applicable to Airline unless it has been given thirty (30) days prior written notice of the adoption thereof. In addition, Airline shall abide by and follow all restrictions and guidelines set forth in the International Terminal Use Agreement and any other agreement applicable to Airline's operations at the Airport.

(b) Upon written request of Airline, City shall supply Airline with a copy of City's current Airport rules and regulations applicable to Airline.

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

(d) Nothing herein shall be construed to prevent Airline from contesting in good faith any rule or regulation of the Airport, without being in breach thereof, so long as such contest is diligently commenced and prosecuted by Airline.

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

6.02 Compliance With Environmental Requirements.

Airline shall, in conducting any activity or business on the Demised Premises, including environmental response or remedial activities, comply with all Environmental Requirements (as defined in Section 10.03(a)(v) below), including but not limited to Environmental Requirements regarding the storage, use, and disposal of Hazardous Materials or Special Wastes and regarding releases or threatened releases of Hazardous Materials or Special Wastes to the environment.

6.03 Review Of Environmental Documents.

Airline, at the request of City, shall make available for inspection and copying upon reasonable notice and at reasonable times, any or all of the documents and materials Airline has prepared pursuant to any Environmental Requirement or submitted to any governmental regulatory agency. If there is an Environmental Requirement to file any notice or report of a release or threatened release of Hazardous Materials or Special Wastes on, under or about the Demised Premises, Airline shall provide a copy of such report or notice to City, and to the extent practicable, shall receive the approval of City prior to submitting such notice or report to the appropriate governmental agency.

6.04 Access For Environmental Inspection.

City shall have reasonable access to the Demised Premises and Improvements to inspect the same to confirm that Airline is using the Demised Premises in accordance with Environmental Requirements. Airline, at the request of City and at Airline's expense, shall conduct such testing and analysis as is necessary to ascertain whether Airline is using the Demised Premises in compliance with all Environmental Requirements. Any such tests shall be conducted by qualified independent experts chosen by Airline and subject to City's reasonable approval. Copies of reports from any such testing shall be provided to City.

6.05 Environmental Noncompliance.

If Airline fails to comply with any applicable Environmental Requirements, City, in addition to its rights and remedies provided in Section 11.01 below, may enter the Demised Premises and Improvements and take necessary measures to insure compliance with Environmental Requirements, all at Airline's expense.

6.06 Duty To Notify City.

In the event of a release or threatened release of Hazardous Materials or Special Wastes to the environment relating to or arising out of Airline's use or occupancy of the Demised Premises or in the event any claim, demand, action or notice is made against Airline regarding Airline's failure or alleged failure to comply with any Environmental Requirements, Airline immediately shall notify City in writing and shall provide City with copies of any written claims, demands, notices, or actions so made.

6.07 Environmental Remediation.

Preliminary investigation of the Demised Premises indicates the potential presence of Hazardous Materials and Special Wastes and other environmental contaminants on or under the Demised Premises. Airline shall undertake such steps to remedy and remove any such Hazardous Materials and Special Wastes and any other environmental contamination as is presently or subsequently discovered on or under the Demised Premises, as are necessary to protect the public health and safety and the environment from actual or potential harm and to bring the Demised Premises into compliance with all Environmental Requirements. Such work shall be performed at Airline's sole expense after Airline submits to City a written plan for completing such work and receives the prior written approval of City, and City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The cost of such review and inspection shall be paid by Airline. Specific cleanup levels for any environmental remediation work shall be designed to meet applicable requirements under local, state and federal statutes, regulations, and guidelines. In the event that the City is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Demised Premises or Improvements thereon, Airline shall defend the City and indemnify the City for any costs, damages or fines that might be found against the City.

Article VII.

7.01 Exercise By City Of Governmental Functions.

Nothing contained herein shall impair the right of City, in the exercise of its governmental functions, to require Airline to pay any tax or inspection fees or to procure necessary permits or licenses provided such requirement is not inconsistent with the rights and privileges granted hereunder or under the International Use Agreement. Nothing herein shall be construed to prevent Airline from contesting in good faith any tax or inspection fee so long as such contest is diligently commenced and prosecuted by Airline.

Article VIII.

8.01 Insurance.

Airline shall maintain, or cause to be maintained, at its own expense, during the term of this Lease, insurance with respect to its property and business conducted at the Demised Premises against such casualties and contingencies (including but not limited to liability) as is described in this Article VIII, and such additional insurance in such amounts as is customary in the case of similarly situated persons in the air transportation business.

If pursuant to any other agreement between Airline and City, Airline is complying with requirements identical with those of this section, such compliance shall also serve as compliance with the requirements of this section.

8.02 Required Insurance Policies.

Airline shall maintain or cause to be maintained at Airline's expense during the term of this Lease the types of insurance policies specified below with insurance companies reasonably acceptable to the City, covering all operations under this Lease, including construction whether performed by Airline or by contractors of Airline.

The kinds and amounts of insurance required are as follows:

1) Employer's Liability, Worker's Compensation And Occupational Disease Insurance.

   Employer's Liability, Worker's Compensation and Occupational Disease Insurance shall be maintained by Airline for Airline's employees in amounts as required by the statutes, rules or regulations of the State of Illinois, and Airline shall require any of its sublessees, assignees, contractors or other parties operating on or from the Demised Premises to maintain comparable coverage.

2) Commercial General Liability Insurance (Primary And Umbrella).

Commercial General Liability Insurance (primary and umbrella) or equivalent with limits of not less than $25,000,000 combined single limit, for bodily injury, property damage liability and personal injury per occurrence shall be maintained by Airline. Products/completed operations, independent contractors, explosion, collapse, underground, pollution (to the extent commercially available for a similar risk) and contractual liability coverages are to be included. The City is to be named as an additional insured.

3) Automobile Liability Insurance.

When any motor vehicles are used in connection with the work to be performed, Airline or its contractors shall maintain Automobile Liability Insurance with limits of not less than $2,000,000 per occurrence, combined single limit, for bodily injury and property damage. The City is to be named as an additional insured.

4) All Risk Builders Risk Insurance.

When Airline undertakes any construction, including improvements, betterments, and/or repairs on the Demised Premises, Airline shall maintain or cause to be maintained adequate All Risk Builders Risk Insurance to cover material, equipment and supplies at job site and in transit until such time that City, in its discretion, deems such coverage unnecessary for all construction operations under this Lease due to the commencement of coverage under paragraph 5 below whether performed by Airline or contractors of Airline. City shall give Airline 10 days written notice that Airline may terminate a portion of the coverage required by this paragraph. Such coverage shall be written to include coverage for the City as its interests may appear.

5) All Risk Property Insurance.

After completion of any construction on the Demised Premises, including improvements and betterments, Airline shall maintain All Risk Property Insurance in the amount of the full replacement value of the Demised Premises. The City is to be named as an additional insured and proceeds of insurance shall be payable to City and Airline based on their respective ownership interests as they may appear.

6) Professional Liability.

When any architects, engineers, or consulting firms perform work in connection with the Demised Premises, Airline shall maintain or cause to be maintained Professional Liability Insurance with limits of $1,000,000. The policy shall include prior acts coverage and/or extended reporting period.

7) Valuable Papers Insurance.

When any plans, designs, drawings, specifications and documents are produced or used under the terms of this Lease, valuable papers insurance in the amount of $50,000 shall be obtained in an amount to insure against any loss whatsoever, and shall have limits sufficient to pay for the recreation and reconstruction of such records.

Failure to carry or keep such insurance in force as provided herein shall constitute a material breach of this Lease, and City maintains the right in addition to any and all other rights and remedies provided in Sections 4.01 and 11.01(a)(ii) and elsewhere herein to stop any work until such breach is cured and proper evidence thereof satisfactory to City is provided by Airline.

The insurance shall provide for 60 days prior written notice to be given to City in the event coverage is substantially changed, canceled, or non-renewed.

Airline shall require all contractors to carry the insurance required herein. Airline may, at its option, provide the coverage for any or all such contractors. If Airline determines to provide coverage for its contractors, the evidence of insurance submitted to City by Airline shall so stipulate.

The Commissioner maintains the right (for himself and/or his designee) to modify, delete, alter or change the requirements of this Article 8 to address those risks that would be insured by prudent airport operators of a business similar to that operated on the Demised Premises by Airline.

Airline expressly understands and agrees that any insurance protection furnished by Airline hereunder shall in no way limit Airline's responsibility to indemnify and hold City harmless under the provisions of this Lease and further understands and agrees that any insurance obtained by City shall be in addition to and not be applied toward the insurance required of Airline under this Lease. Further, Airline, on behalf of itself, its contractors, subcontractors and insurers, hereby waives any and all rights of subrogation against City, including its appointed and elected officials, representatives, agents, and employees, for any loss that is or should have been covered by insurance as required under this Lease.

8.03 Loss Adjustment Procedures.

(a) If any buildings or improvements constructed on the Demised Premises are damaged or destroyed, Airline shall immediately after such damage or destruction cause to be prepared plans, specifications and estimates of cost for repairing, replacing or reconstructing the damaged or destroyed property in accordance with the original design, subject to such modifications thereof as may be approved by Airline and the Commissioner or his designee. The Commissioner or his designee shall be entitled to participate in the preparation of such plans and specifications, and must approve them prior to the commencement of reconstruction; provided, however, that such approval shall not be unreasonably withheld. As soon as possible after such damage or destruction, Airline shall reconstruct and replace all damaged or destroyed improvements in accordance with the approved plans and specifications and shall have the ability to use insurance proceeds available from the policies carried for such purposes after deduction for any expenses of City in collecting and/or administering the disbursement of such insurance proceeds. Any funds needed to pay for such reconstruction in excess of available insurance proceeds shall be furnished by Airline.

(b) Subject to the provisions of Subsection 8.03(a) above, any unused balance of any insurance proceeds paid on the occasion of damage or destruction of any buildings or improvements on the Demised Premises, after all repairs, demolitions or removals are completed as required by this Lease, shall be paid to City.

8.04 Proof Of Insurance.

Airline shall provide the Commissioner or his designee with certificates of insurance evidencing the coverage required by this Article VIII, and all insurance provided for under this Lease shall be effected under valid enforceable policies issued by insurers of recognized responsibility. All such policies shall insure City and Airline in accordance with their respective interests as set forth herein. Said certificates of insurance shall be delivered to the Commissioner or his designee. Airline shall notify Commissioner or his designee of any change in any policies of insurance maintained by Airline pursuant to this Lease, and Airline shall furnish Commissioner a revised certificate of insurance showing that such changes in policy are consistent with the requirements of this Lease. With respect to renewals, Airline shall provide Commissioner or his designee with details of renewal coverage, including renewal certificates of insurance or similar evidence, on or prior to the expiration of any coverage.

Article IX.

9.01 Abatement In The Event Of Closing.

In the event that for a period of time in excess of five (5) consecutive days the Airport is closed by any order or direction of City or any other governmental authority or agency, or by any order or direction of any court of competent jurisdiction not stayed by way of appeal or otherwise, then the rent payable by Airline shall abate for the period of such closing.

9.02 Abatement On Account Of Casualty.

(a) If due to damage or destruction by fire or other casualty due to the fault of City, any of the facilities to be furnished by City outside the Demised Premises as provided in Section 5.01 hereof are rendered unusable to such an extent as to substantially impair the ability of Airline to conduct normal operations on the Demised Premises, then the rent payable hereunder by Airline for the Demised Premises shall be paid up to the date of such damage or destruction. Such rent shall thereafter abate in an amount directly proportional to the extent Airline's ability to conduct normal operations on the Demised Premises is impaired by such damage or destruction unless and until City thereafter furnishes adequate temporary substitute facilities and expeditiously restores the facilities so damaged or destroyed; provided, however, that if City fails to repair such damage or destruction so that Airline's ability to conduct normal operations on the Demised Premises is substantially impaired for more than ninety (90) days, then Airline at its option may, by giving to City at least thirty (30) days prior notice, terminate this Lease. City shall have no liability to Airline for City's failure to furnish such temporary substitute facilities or for City's failure expeditiously to restore such facilities.

(b) Except as otherwise expressly set forth herein, Airline shall have no right to rent abatement or set-off of any kind.

(c) In the event rent is ever abated pursuant to this Article IX, such abatement shall not apply to Airline's obligation to pay O. & M. Expenses.

Article X.

10.01 Regulating The Airport.

(a) Except as otherwise provided herein, City reserves the right to regulate, police, and further develop, improve, reconstruct, modify, or otherwise alter the Airport in City's sole discretion.

(b) Upon a determination by City, in its sole discretion after considering the technical and regulatory alternatives and evaluating reasonable suggestions made by Airline, that the Demised Premises are necessary for a public use, as the term "public use" is interpreted under Chapter 110, Article VII of Illinois Revised Statutes, which may include resolution of a sight line problem at the Airport, and City, in its sole discretion, determines that such public use requires the demolition, removal, or relocation of the Improvements, City may, in its sole discretion, require Airline to vacate the Demised Premises within eighteen months of written notice from City of such determination ("Notice Date"). Further, City may, at its election, require Airline to accept in lieu of any and all other remedies, either of the following alternatives:

(1) A combination of replacement land at the Airport ("Replacement Land") and a payment equal to either (i) the Original Cost (as defined below) of any Improvements for which the Notice Date occurs within the first five (5) years of the date of substantial completion of said Improvements, or (ii) the unamortized value of any Improvements for which the Notice Date occurs after said five (5) year period. The "unamortized value of the Improvements" shall be determined by deducting depreciation from the Original Cost of any Improvements, the Original Cost being determined as described below as of the end of the fifth year after substantial completion of the Improvements, and said depreciation shall be computed on a straight line basis beginning five (5) years after the substantial completion of the Improvements and extending over the lessor of the useful life of the Improvements or the period of the term of this Lease during which the Improvements would have been in place. The "Original Cost" of any Improvements for purposes of this Subsection 10.01 shall be the actual, out of pocket amounts expended by Airline for construction of said Improvements increased by the same percentage that construction costs in the Chicago metropolitan area increase as reflected in the index of construction costs for the Chicago metropolitan area published by the Engineering News Record. The unamortized value of the Improvements shall be calculated as of the date the Airline

vacates the Demised Premises and an example of such a calculation is appended hereto as Appendix I; or

(2) An alternative facility which is comparable to the Improvements on the Demised Premises and from which Airline can effectively operate its Air Transportation of Freight and Cargo Business in a manner reasonably similar to the manner in which it was operated prior to the vacation of the Demised Premises ("Comparable Facility").

Any reasonable cost of preparing or converting the Comparable Facility for Airline's use, or providing common improvements on Replacement Land shall be paid by City.

Notwithstanding the right of City to require Airline to accept either of the remedies described in (1) or (2) above, City shall, in its sole and absolute discretion, also have the right to exercise its rights of eminent domain, as provided under Chapter 110, Article VII of Illinois Revised Statutes, in lieu of either of the above-described remedies.

If City elects to make a Comparable Facility available to Airline, the Comparable Facility shall be made available to Airline within fourteen (14) months of the Notice Date. Rent on any such Comparable Facility shall be equal to the aggregate rent (including but not limited to payments made by Airline pursuant to Section 3.02 herein) payable by Airline pursuant to this Lease except to the extent the Comparable Facility is larger than the Demised Premises at the request of Airline, in which case rent on the Comparable Facility shall be greater. If City chooses to relocate Airline to a Comparable Facility, then City shall reimburse Airline only for the reasonable out-of-pocket moving costs incurred by Airline to relocate its personal property and movable equipment.

If City elects to make Replacement Land available to Airline, the Replacement Land shall be made available to Airline within six (6) months of the Notice Date. The date City makes Replacement Land available to Airline shall be the "Land Availability Date". Rent on any Replacement Land shall be equal to the per square foot rate effective on the Land Availability Date pursuant to Section 3.01(a) and Section 3.01(c) hereof, for an amount of Replacement Land up to the area of land then being leased by Airline hereunder, and to the extent the site of the Replacement Land is larger than the area of land then being leased by Airline, rent on the portion of the Replacement Land in excess of the area of land then being leased by Airline hereunder shall be an amount equal to the then market rate of rent for such land as determined by City. Airline shall commence construction of a new facility on Replacement Land within four months of the Land Availability Date and substantially complete all construction of such facility within twenty-four (24) months of the Land Availability Date. The Commissioner, in his sole discretion, may grant Airline an extension to complete construction of a new facility and may also, in his sole discretion, allow Airline to continue operations at the Demised Premises for a reasonable period beyond the eighteen month termination period set forth herein.

Nothing herein shall be construed as imposing upon Airline a "substantial restriction of Airline's operations at the Airport". No action by City under this Section 10.01 shall be grounds for Airline to proceed under Article XIII herein or otherwise to terminate this Lease.

10.02 Release Of City.

(a) City shall not be liable to Airline, or to Airline's agents, representatives, contractors and subcontractors or employees, for any injury to, or death of, any of them or of any other person or for any damage to any of Airline's property or loss of revenue caused by any third person in the maintenance, construction, or operation of facilities at the Airport, or caused by City or any third person using the Airport or navigating any aircraft on or over the Airport, except where there has been a final judicial determination that any injury, death, or damage is due to the negligence or willful misconduct of the City, and only to the extent Airline or any of the above described parties is not covered by appropriate insurance.

(b) City shall not be liable to Airline for damage to property of Airline or any loss of revenues to Airline resulting from City's acts or omissions in the maintenance and operation of the Airport except where there has been a final judicial determination that such damage or loss has been caused by the negligence or willful misconduct of the City, and only to the extent Airline or any of the above described parties is not covered by appropriate insurance.

10.03 Indemnity.

(a) Airline shall pay and shall protect, defend, indemnify and save City, its agents, representatives and employees, harmless to the extent permitted by law from and against any and all liabilities, losses, damages, costs and expenses (including reasonable attorney's fees and expenses), causes of action, suits, claims, demands, judgments, awards and settlements including, without limitations, payments of claims of liability resulting from any injury to or death of any person or damage to property (except to the extent caused by the negligence or willful misconduct of City, its agents, representatives or employees as determined by a final judicial proceeding), and costs of acquisition of real property as a result of claims described in subsection (i) below, in each case, only to the extent City is not reimbursed out of insurance proceeds arising out of the following:

(i) Suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, or similar suits based upon the use of the Airport for the landing and taking-off of aircraft;

(ii) Airline's use or occupancy of the Airport not covered in subsection (a)(i) of this Section 10.03 or non-use (if such non-use is contrary to Airline's obligations hereunder) of any premises demised to Airline hereunder;

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

(iv) The violation by Airline of any agreement, warranty, covenant or condition of this Lease, of any other contract, agreement or restriction relating to Airline's operations at the Airport, or of any law, ordinance, regulation or court order affecting the Airport;

(v) The failure or alleged failure of Airline, its successors or assigns, to comply with local, state, or federal environmental rules, regulations, statutes, laws, or orders (collectively referred to as "Environmental Requirements"), or which is due, in whole or part, to any releases or threatened releases of Hazardous Materials or Special Materials on, about or under the Demised Premises.

(b) (i) To the extent permitted by law, Airline shall be responsible for (a) all physical injuries (including death) to persons (including, but not limited to, Airline's and City's employees, contractors and subcontractors, agents, and representatives) or (b) damage to property (including, but not limited to, property of the City), either of which may occur on account of or in connection with the performance of any work on, to or for the benefit of the Demised Premises excepting therefrom that portion, if any, of bodily injuries and property damage caused by the negligence or willful misconduct of the City, its contractors, agents, employees and other representatives as determined in a final judicial proceeding. Airline's responsibility hereunder shall include, but not be limited to, the payment of Worker's Compensation under the Worker's Compensation Law of the State of Illinois, and Airline specifically covenants to reimburse the City for all payments of Worker's Compensation which the City shall be required to make to any employee who shall have sustained injuries on account of or in connection with any work performed pursuant to this Lease or with respect to the Demised Premises, excepting therefrom that portion, if any, of bodily injuries and property damage caused by or resulting from the negligence of the City as determined in a final judicial proceeding.

(ii) During any construction by Airline with respect to the Demised Premises or the Common Areas, Airline shall be solely responsible for the support, maintenance, safety and protection of the facilities of the City, and for the safety and protection of all persons or employees and of all property therein.

(c) Airline agrees to indemnify and hold the City harmless to the extent permitted by law against liability for any and all injuries and damages to the property of the City arising directly from, or in any way occurring in connection with any work done by or at the direction of Airline for the benefit of the Demised Premises, whether caused by the negligence or willful misconduct of Airline, its employees, agents, contractors, subcontractors or otherwise.

(d) The Commissioner shall promptly notify Airline in writing of any claim or action brought against City in respect of which indemnity may be sought by City against Airline hereunder, setting forth the particulars of such claim or action and shall furnish Airline with a copy of all suit papers and legal process. Airline shall assume and have full responsibility for the defense or settlement thereof, including the employment of counsel and the payment of all expenses and all settlements or judgments. City shall cooperate fully with Airline in the defense of any case hereunder, and may employ separate counsel at a reasonable cost in any such action and participate in the defense thereof.

10.04 Tort Immunity.

Notwithstanding any reference herein to Airline's release and indemnification being ineffective in certain instances where City, its agents, employees or representatives have been negligent, nothing herein shall be construed to make the City liable in any case or instance where the City would otherwise be immune from any tort liability because of its being a municipal corporation.

Article XI.

11.01 City's Rights And Remedies.

All rights and remedies of City provided for in this Lease shall be cumulative and none shall exclude any other right or remedy allowed by law or equity.

(a) If default shall be made in the prompt payment of rent or any other amount due hereunder and such default shall continue for ten (10) or more business days after the same becomes due, or if default shall be made in the observance or performance of any covenants or agreements in this Lease which Airline is required to observe and perform and such default shall continue for thirty (30) days after written notice to Airline unless such default cannot be cured within said thirty (30) day period, in which case Airline shall have such period of time as is required to diligently proceed to cure the default, or if a default involves a hazardous condition and Airline does not diligently proceed to cure such default immediately upon written notice to Airline, or if the interest of Airline in this Lease shall be levied or under execution or attached by process of law, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Airline, or if any involuntary petition in bankruptcy shall be filed against Airline under any federal or state bankruptcy or insolvency act and shall not have been dismissed within thirty (30) days from the filing thereof, or if a receiver shall be appointed for Airline or any of the property of Airline by any court and such receiver shall not have been dismissed within sixty (60) days from the date of his appointment, or if Airline shall make an assignment for the benefit of creditors of all or substantially all of its assets, or if Airline shall admit in writing Airline's inability to meet its debts as they mature, or if Airline shall abandon or vacate the Demised Premises or Common Areas during the term, then and in any such event City if it so elects, may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon at its option may, with or without notice or demand of any kind to Airline or any other person, have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

(i) City may terminate this Lease and the term created hereby, in which event all rent provided to be paid by Airline for the balance of the original term shall immediately become due and payable and City may forthwith repossess the Demised Premises and any of Airline's materials or property located on the Common Areas.

(ii) City may terminate Airline's right of possession and may repossess the Demised Premises and any of Airline's materials or property located on the Common Areas by forcible entry and detainer suit, by taking peaceful possession or otherwise without terminating this Lease or releasing Airline, in whole or in part, from Airline's obligation to pay rent hereunder for the full term.

(b) All property removed from the Demised Premises or Common Areas by City pursuant to any provisions of this Lease or by law may be handled, removed or stored in a commercial warehouse or otherwise by the City at the risk, cost and expense of Airline, and City shall in no event be responsible for the value, preservation or safekeeping thereof. Airline shall pay City, upon demand, any and all expenses incurred by City in such removal and storage charges against such property so long as the same shall be in City's possession or under City's control. All property not removed from the Demised Premises or Common Areas or retaken from storage by Airline within sixty (60) days after the end of the term, however terminated, shall be conclusively deemed to have been forever abandoned by Airline.

After taking possession of the Demised Premises pursuant hereto, City shall have the right to remove all or part of any structures or Improvements located on the Demised Premises or Common Areas without any prior notice to Airline, and City shall have no liability or responsibility for any property of Airline remaining in, on or about the Demised Premises or Common Areas in the event of such removal.

(c) Airline shall pay all of City's costs, charges and expenses, including court costs and attorneys' fees, incurred in enforcing Airline's obligations under this Lease or incurred by City in any litigation, negotiation or transactions in which Airline causes City, without City's fault, to become involved or concerned.

(d) If Airline violates any of the terms and provisions of this Lease, or defaults in any of its obligations hereunder, other than the payment of rent or other sums payable hereunder, such violations may be restrained or such obligation enforced by injunction.

(e) Notwithstanding anything to the contrary herein, this Lease shall not terminate for any event stated above to the extent that Airline is replaced as a tenant under the provisions of Section 12.01(c) of this Lease and such new tenant diligently proceeds to cure the default then occurring hereunder.

Article XII.

12.01 No Waiver.

(a) No waiver by City or Airline of default of any of the terms, covenants or conditions hereof to be performed, kept and observed by City or Airline shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

(b) The acceptance of rent, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach hereof by Airline, or the giving or making of any notice or demand, whether according to any statutory provisions or not, or any act or series of acts except an express written waiver, shall not be construed as a waiver of any right hereby given City, or as an election not to proceed under the provisions of this Lease.

(c) Notwithstanding Sections 12.01(a) and (b) above, in the event Airline (or a third party operating on behalf of Airline) finances the construction of the Improvements and/or Common Improvements through the use of special facility revenue bonds, and Airline is in default pursuant to Section 11.01 of this Lease, a trustee in connection with the financing of the Improvements and/or Common Improvements, at Airline's request, may cure such default within the time periods provided herein and replace Airline with another tenant or tenants, subject to prior written approval of the Commissioner, which approval shall be subject to the same standards set forth in Section 1.05 above. The rent payable by such tenant(s) shall be applied first to satisfy Airline's obligation under this Lease and the excess, if any, shall be payable to the holders of such debt.

Article XIII.

13.01 Termination By Airline.

Airline may terminate this Lease and any or all of its obligations hereunder if (i) at such time Airline is not in default in the payment of any amount due from it to City, or in default of any other material obligation hereunder, (ii) there are no other restrictions on Airline's ability to terminate this Lease contained herein or in any other document or instrument related to the Demised Premises or the operation thereof, and (iii) any one or more of the following events has occurred:

(1) The failure or refusal of the Federal Aviation Administration to approve operations into and from the Airport for those types of aircraft operated by Airline in its Air Transportation of Freight and Cargo Business and continuance thereof for a period of at least sixty (60) days, so long as such failure or refusal is not due to any fault of Airline.

(2) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially adversely affect Airline's use of the Airport in its conduct of the Air Transportation of Freight and Cargo Business and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days.

(3) The issuance of any order, rule or regulation or the taking of any action by the Federal Aviation Administration or other government authority substantially affecting for a period of at least sixty (60) days Airline's use of the Cargo Areas in its conduct of the Air Transportation of Freight and Cargo Business, provided, however, that none of the foregoing is due to any fault of Airline.

(4) The default by City in the performance of any covenant or agreement required to be performed by City herein that substantially adversely affects Airline's use of the Demised Premises, and the failure of City to remedy such default, or to take prompt action to remedy such default, within a period of sixty (60) days after receipt from Airline of notice to remedy the same. In this event, Airline shall also have all other rights and remedies allowed by law or equity.

(5) The substantial restriction of City's operation of the Airport by action of any governmental agency or department, and continuance thereof for a period of not less than sixty (60) days, provided such restriction substantially adversely affects Airline's Air Transportation of Freight and Cargo Business at the Airport.

(6) The substantial restriction of Airline's operation at the Airport by action of any governmental agency or department, and the continuance thereof for a period of not less than sixty (60) days, provided such restriction substantially adversely affects Airline's operations at the Airport.

No waiver by Airline of default of any of the terms, covenants or conditions hereof, or of any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by City shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

Any termination by Airline pursuant to this Section 13.01 (1), (2), (3), (5), or (6) shall not occur unless the Airline serves upon the Commissioner and Corporation Counsel notice of said termination, or intent to terminate thirty (30) days prior to such termination together with a statement of how the operations of the Airline have been substantially affected. In the event of a termination by Airline pursuant to subsection (1), (2), (3), (5), or (6) of this Section 13.01, City shall have no liability or obligation whatsoever to Airline on account of such termination.

Article XIV.

14.01 Right Of Airline To Remove Property.

Airline shall be entitled during the term of this Lease, and for a reasonable time (not exceeding sixty (60) days) after its termination, to remove from the Demised Premises all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it pursuant to this Lease, subject to any valid lien City may have thereon for unpaid rent or other amounts payable by Airline to City hereunder or under any other agreement between City and Airline relating to the Airport or any part thereof; provided, however, that Airline shall promptly repair all damage resulting from such removal, reasonable wear and tear excepted.

Article XV.

15.01 Equal Opportunity.

Airline agrees that in performing under this Lease it shall neither discriminate against any worker, employee or applicant, or any member of the public, because of race, creed, color, religion, age, sex, national origin, handicap or disability, ancestry, marital status, parental status, sexual orientation, source of income, or military discharge. Airline agrees that in performing under this Lease it will comply with all applicable federal, state and local laws which prohibit discrimination, including but not limited to, the aforementioned forms of discrimination.

Airline further agrees that it will not commit an unfair employment practice.

Airline will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex, national origin, handicap or disability, ancestry, marital status, parental status, sexual orientation, source of income, or military discharge. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; compensation; and selection for training, including apprenticeship.

Airline agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 15.01. Airline further agrees that this clause will be incorporated in all contracts entered into with any suppliers of materials or furnishers of services, contractors and subcontractors, and all labor organizations, which furnish skilled, unskilled and craft union skilled labor, or which may perform any such labor or services in connection with the Demised Premises or the construction of Improvements or Common Improvements.

Attention is called to Executive Order 11246, 3 C.F.R. 339 (1964 -- 1965), as modified by Executive Order 11375, 3 C.F.R. 320 (1967); The Civil Rights Act, 42 U.S.C. 2000d, (1964); The Age Discrimination Act, 42 U.S.C. 1601 -- 1602 inclusive, (1975); Discrimination In Public Contract Acts, Ill. Rev. Stat., Ch. 29, §§ 2-105, 5-101-5-103, inclusive (1987); Municipal Code of Chicago Ch. 199 "Human Rights", Council Journal of Proceedings, pages 23526 -- 23536 (December 21, 1988); Office of Federal Contract Compliance

Programs, Equal Employment Opportunity, Department of Labor 41 C.F.R. 60-1 (July 1, 1988).

To demonstrate compliance, Airline will furnish, and will obligate its contractors and subcontractors to furnish, such reports and information as is reasonably requested by City.

15.02 Nondiscrimination.

This Lease involves the use of or access to space on, over, or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public.

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

15.03 Prohibition Against Exclusive Rights.

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

15.04 Nondiscrimination In Furnishing Services.

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

15.05 Affirmative Action Program And M.B.E./W.B.E. Requirements.

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

Article XVI.

16.01 City Books And Records.

City shall follow such procedures and keep and maintain such books, records and accounts as may be necessary or appropriate under the provisions of this Lease. Airline shall have the right at any reasonable time and at its own expense to examine and make copies of extracts from those books and records that pertain to expenditures for which Airline must reimburse or pay the City under this Lease.

Article XVII.

17.01 Definitions.

The following words, terms and phrases, shall, for purposes of this agreement, have the following meaning:

(1) "Abandonment" or "Abandons" means the cessation of the use of the Demised Premises by the Airline of all of the uses permitted under this Lease in Section 1.03, other than for reasons of strikes or force majeure, for a period of sixty (60) days.

(2) "Airline" means, at any time, the lessee of the Demised Premises referenced in Section 1.01, or its successors, sublessees or assigns.

(3) "Air Transportation of Freight and Cargo Business" means the carriage by aircraft of property, cargo or mail as an international carrier for compensation or hire in commerce within the limitations or use of the Demised Premises as set forth in Section 1.03.

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

(5) "Airport Use Agreement" means the 1985 Amended and Restated Airport Use Agreement and Terminal Facilities Lease.

(6) "City" means the City of Chicago, a municipal corporation, a home rule unit existing under the laws of the State of Illinois.

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

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

(9) "Hazardous Materials" means asbestos and asbestos-containing materials, polychlorinated biphenyls (PCBs), oil or any other petroleum products, natural gas, source material, special nuclear material, and byproduct materials regulated under the Atomic Energy Act (42 U.S.C. §2011, et seq.), pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §136, et seq.), and any hazardous waste, toxic substance or related material, including any substance defined or treated as a "hazardous substance", "hazardous waste", or "toxic substance" (or comparable term) in the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901, et seq.), the Toxic Substances Control Act (15 U.S.C. §2601, et seq.), the Illinois Environmental Protection Act (Ill. Rev. Stat., Ch. 111-1/2, Sec. 1001, et seq.) and any rules or regulations promulgated pursuant to such statutes or any other applicable federal or state statute, rule or regulation or county or municipal law, ordinance, rule or regulation, as amended, in each case.

(10) "Lease" means this Cargo Building Site Lease, as hereafter amended or supplemented from time to time in accordance with its terms.

(11) "Special Wastes" refers to those substances as defined in Section 1003.45, Ch. 111-1/2 of the Illinois Environmental Protection Act, and as further referred to in Section 809.103 of 35 Illinois Admin. Code, Subtitle G, Ch. 1.

(12) "International Terminal Use Agreement" means the International Terminal Use Agreement and Facilities Lease that is at any time in effect for tenants of the International Terminal at Chicago-O'Hare International Airport.

(13) "Operational and Maintenance Expenses" (sometimes abbreviated as "O. & M. Expenses") means for the Cargo Areas, for any Fiscal Year, a fair allocation of total operations and maintenance expenses incurred by the City in operating and maintaining the Common Areas during such Fiscal Year, either directly or indirectly, by allocation to the Cargo Areas by City, including without limitation:

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

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

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

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

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

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

(g) Costs incurred in collecting and attempting to collect any sums due City in connection with the operation of the Cargo Areas;

(h) Costs of advertising at or for the Cargo Areas;

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

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

(15) "Runways" means, at any time, runways at the Airport for the landing and taking-off of aircraft.

(16) "Taxiways" means, at any time, taxiways and taxilanes at the Airport for the ground movement of aircraft to, from and between the runways, the Demised Premises, and other portions of the Airport.

17.02 Incorporation Of Exhibits.

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

Exhibit A -- The Demised Premises and Improvements.

Exhibit B -- Description of Common Improvements.

Exhibit C -- Procedures for Design and Construction of Improvements.

Exhibit D -- Equal Employment and Affirmative Action.

Exhibit E -- O'Hare Cargo Areas Layout Plan.

Article XVIII.

18.01 Notices.

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

____

____, with a copy to: ________________________________ or such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

18.02 Separability.

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

18.03 Remedies Cumulative.

The rights and remedies granted in this Lease are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

18.04 Headings.

The section headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Lease.

18.05 Successors And Assigns.

All of the covenants, stipulations and agreements herein contained shall inure to the benefit of and be binding upon the successors, sublessees and assigns of the parties hereto.

18.06 Airline To Maintain Its Corporate Existence; Conditions Under Which Exceptions Permitted.

Airline shall maintain its corporate existence, shall not dissolve or otherwise dispose of all or substantially all of its assets, and shall not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, unless the surviving, resulting or transferee corporation, as the case may be (a) expressly assumes in writing all of the obligations of Airline hereunder, and (b) if such corporation is not organized and existing under the laws of the United States of America or any state or territory thereof or the District of Columbia, delivers to City an irrevocable consent to service of process and jurisdiction substantially similar to Section 18.07(c) hereof.

18.07 Authorization To Operate; Consent To Service Of Process And Jurisdiction.

(a) Airline warrants that it is a corporation organized and existing under the laws of the state or country shown on the signature page hereof, is a holder of a foreign air carrier permit duly issued under the Federal Aviation Act of 1958, as amended, authorizing it to operate in foreign air transportation to and from the City of Chicago.

(b) If Airline is a corporation organized and existing under the laws of the United States of America or a state or territory thereof or the District of Columbia, Airline warrants that it is, and throughout the term of this Agreement it will continue to be, duly qualified to do business in the State of Illinois.

(c) All judicial proceedings brought against Airline with respect to this Agreement may be brought in any federal court of competent jurisdiction having situs within the boundaries of the federal court district of the Northern District of Illinois, and by execution and delivery of this Agreement, Airline accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. Airline designates and appoints the representative designated on the signature page hereto under the heading "Designation of Agent for Service of Process", as its agent in Chicago, Illinois to receive on its behalf service of all process in any such proceedings in any such court (which representative shall be available to receive such service at all times), such services being hereby acknowledged by such representative to be effective and binding service in every respect. Said agent may be changed only upon the giving of written notice by Airline to City of the name and address of a new Agent for Service of Process that works within the geographical boundaries of the City of Chicago and is employed by Airline. Airline irrevocably waives any objection (including without limitation any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Lease in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of City to bring proceedings against Airline in the courts of any other jurisdiction.

18.08 Late Payments.

Any payment required to be made by Airline under this Lease which is not paid within five (5) business days of its due date shall bear interest at the rate of four (4) points above the highest "prime" lending rate of interest announced from time to time by the four largest commercial banks in Chicago, determined on the basis of total assets.

18.09 Amendments.

This Lease constitutes the entire agreement of the parties with respect to the subject matter contained herein, and may not be modified or amended except in a writing signed by both parties.

In Witness Whereof, The City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and Lufthansa German

Airlines has caused this Lease to be executed on its behalf by its ________________ and witnessed by its ______________ pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

Approved:

City of Chicago

____

City Comptroller

____

Richard M. Daley, Mayor

Attest:

Approved As To Form And Legality:

____

City Clerk

____

Corporation Counsel

Airline:

Lufthansa German Airlines

Approved:

____

Commissioner of Aviation

By: ______________________

Its: ______________________

Signature: ______________________

By: ______________________

Its: ______________________

Signature: ______________________

Approved:

Designation of Agent for City Clerk Service of Process

____
Commissioner of Department of Public Works

Name: ______________________

Address: ______________________

____

____

[Exhibits "A", "B" and "E" attached to this Cargo Building Site Lease printed on pages 28355 through 28358 of this Journal.]

Exhibits "C", "D" and Appendix "I" attached to this Cargo Building Site Lease read as follows:

Exhibit "C".

The Following Procedures Shall Apply During The Planning, Design, Fabrication, Installation, Construction, Start-Up And Testing (Collectively, The "Work") Of The Improvements And Common Improvements:

Paragraph 1. Responsibilities And Obligations Of The Airline.

(a) Airline shall perform the Work, or cause the Work to be performed, on the Improvements and Common Improvements. Airline may award contracts for the Work to be performed but Airline shall remain responsible for the Work. In order to expedite the Work, Airline may negotiate as well as competitively bid its contracts.

(b) Subject to the provisions of paragraph 2 hereof and of Section 1.02 of this Lease, Airline may commence the Work at any time after the execution of this Lease. Airline agrees that it will complete the Work, or cause the Work to be completed, with all reasonable diligence. Airline's failure to complete the Work in a timely manner shall not be grounds for any rent abatement under the terms of this Lease.

(c) Airline shall designate a Project Manager who shall manage and coordinate the Work. City shall direct all communications regarding the Work to the Project Manager.

(d) Airline shall not under any circumstances utilize the services of any entity which is barred from contracting with the City of Chicago pursuant to any law, ordinance, rule or regulation.

Paragraph 2. Airline Coordination With City.

(a) The Program Management Office ("P.M.O.").

The P.M.O. is a special office created by the City to manage the O'Hare Development Program. For the purposes of this Lease, the P.M.O., or any successor office, shall represent the City in all matters relating to the performance of the Work hereunder and shall constitute the point of receipt for all submittals, unless expressly specified otherwise herein. In all provisions of this Exhibit C in which the City's written approval or consent is required, such approval or consent must be that of the P.M.O., unless Airline is notified in writing by the P.M.O. otherwise. Any approval or consent by the P.M.O. hereunder shall not create any liability on the City, in whole or in part, for the professional or technical accuracy of the Airline's Work to be provided hereunder. The Director of the P.M.O. is the chief executive officer of the P.M.O. and shall be the final arbiter of any decision to be made or consent or approval to be given under this Exhibit C. The P.M.O. shall further assist Airline in coordinating Airline's Work with other projects and operations at the Airport and in Airline's contacts with any federal, state, or local government agencies. Airline will provide reasonable administrative space for the P.M.O. staff on or contiguous to the Demised Premises. The P.M.O. shall provide such personnel only as may be needed from time to time.

(b) Standard of Performance.

Airline shall perform, or cause to be performed, all Work with that degree of skill, care and diligence normally exercised by professionals performing equivalent work in projects of a scope and magnitude comparable to the Improvements and Common Improvements, and further in accordance with O'Hare Rules and Regulations in existence at the time the Work commences, and such other reasonable construction procedures and standards as may be established or approved by the City for the Improvements and Common Improvements. Such procedures and standards will not impose on Airline stricter or more rigid procedures or standards than are then being applied to other cargo carriers at the Airport. Such procedures and standards will be established by the City in a timely manner.

Paragraph 3. Requirements For Work.

(a) Project Planning, Design and Fabrication Phase.

Airline shall submit, or cause to be submitted, at such levels as may be reasonably requested by the P.M.O., proposed drawings, plans and specifications for the Improvements and Common Improvements for review and comment by the P.M.O. Such drawings, plans and specifications, and all amendments thereto, shall be subject to the approval of the P.M.O.,which approval shall not be unreasonably withheld. The P.M.O. will approve, conditionally approve or disapprove submissions of any such drawings, plans and specifications within fifteen (15) business days, or as mutually agreed to following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation. If Airline intends to adopt fast track construction procedures, Airline must still complete each contract package to a reasonable level of detail (including alternate designs selected by the Airline for major structural, mechanical, electrical and architectural elements) that will provide the P.M.O. adequate information upon which to base its review and approval. Airline shall not proceed with construction operations until all necessary approvals have been obtained.

(b) Airline to Provide Information.

Prior to the commencement of the Work, and thereafter as often as may be necessary to provide the P.M.O. with current and complete information about the Work, Airline shall submit to the P.M.O. (i) initial and updated construction schedules (which shall be reviewed by the P.M.O. for their impact and relation to other projects or operations at the Airport) indicating the proposed and/or actual sequence of all Work, and the estimated date of completion of the Work under each of Airline's contracts; (ii) initial and updated site utilization plans, including limit lines, on-site storage and office areas, and proposed temporary alterations or detours intended to maintain public access, and support detours intended to maintain public access and support services, to, from, through or past operating facilities at the Airport; and (iii) Airline's initial and updated cost estimates for the Improvements and Common Improvements, individually and aggregated.

(c) Installation, Construction, Start-Up and Testing Phrase.

(i) The P.M.O. shall have the right to monitor the Work on the Improvements and Common Improvements to assure that the facilities which comprise the Improvements and Common Improvements are installed and constructed in conformity with the approved drawings, plans and specifications, and in accordance with the applicable standards therefor. In order to assist the P.M.O. in monitoring the installation, construction, start-up and testing of the Improvements and Common Improvements, Airline's Project Manager shall submit, or cause to be submitted, to the P.M.O. copies of all:

-- surveys, soil borings, and field test reports;

-- contracts for services, labor and materials;

-- material certificates and samples;

-- approved shop drawings;

-- lien waivers, payrolls, and requests for payment by contractors of any tier;

-- progress reports;

-- notification of substantial completion of the Improvements and Common Improvements and final acceptance thereof;

-- maintenance and operations manuals in connection with building systems;

-- as-built drawings;

-- warranties;

-- test and start-up results; and

-- any other documents related to the Improvements which may be reasonably requested by the City.

(ii) No change order which materially changes the scope of the Work or the Improvements and Common Improvements shall be implemented by Airline without review and approval by the P.M.O. The P.M.O. will approve, conditionally approve or disapprove submissions of change orders within fifteen (15) business days following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation.

(iii) In the event the P.M.O. determines that the Work is at material variance from the approved drawings, plans, and specifications or applicable standards, Airline shall use its best efforts to expeditiously resolve such variance through immediate consultation with its contractors. Until it has been determined by the P.M.O. that the Work has been performed without material variance from the approved drawings, plans and specifications and applicable standards, the P.M.O. may, by written notice to Airline, (i) suggest to Airline that Airline withhold payments from any contractor or subcontractor which has performed, in the judgment of the P.M.O., Work which is at material variance from the approved drawings, plans and specifications, or applicable standards, or (ii) suggest to Airline that it stop Work on any portion of the Improvements or Common Improvements directly affected by such variance from the approved drawings, plans, specifications and applicable standards. If Airline's response is unacceptable in the reasonable opinion of the P.M.O., the P.M.O. shall have the right to direct Airline to stop any other Work on any portion of the Improvements or

Common Improvements that are at variance with the approved drawings, plans, and specifications or applicable standards until the affected Work is corrected or replaced.

Any Work which is at material variance from the approved drawings, plans and specifications or applicable standards shall be corrected or replaced by Airline, directly or through its contractors, provided that the P.M.O. has informed Airline of such variance within ten (10) business days following the performance of such Work, unless the variance affects the structural integrity or safety of the Improvements or Common Improvements or the variance could not have been discovered with due diligence, in which case the P.M.O. shall inform Airline of such variance as soon as reasonably practicable. If such Work is not corrected or replaced by Airline within thirty (30) days following notice from the P.M.O. to Airline, the P.M.O. may cause such Work to be corrected or replaced, with its own forces or otherwise, at the expense of Airline, provided that in the event such Work cannot be corrected or replaced within said thirty (30) day period, Airline shall be afforded such additional time as the P.M.O. may determine to be reasonably necessary to correct or replace such Work.

Paragraph 4. Compensation To City.

(a) Within no less than thirty (30) days after receipt of an invoice from the P.M.O. in accordance with subparagraph (c) below, Airline shall compensate the P.M.O. for the cost of those services provided by the P.M.O. The P.M.O. agrees to use its best efforts to keep its costs as low as reasonably practicable, provided, however, that in no event shall the aggregate amount of reimbursement to the P.M.O. hereunder exceed in the first year that any Work is or has been performed, an amount equal to one and one-half percent (1-1/2%) of the aggregate expenditures during such year for the Work on the Improvements and Common Improvements and, in the second and any subsequent year that any Work is performed, an amount equal to two percent (2%) of the aggregate expenditures during such year for the Work on the Improvements and Common Improvements, and provided, further, however, that the P.M.O. shall be entitled to an equitable adjustment of such amount in proportion to any increase in its services as a result of a change in the scope of Work or in the Improvements or Common Improvements.

(b) In November or December of each year during the continuation of the Work, the P.M.O. shall provide Airline with an estimate of the P.M.O.'s required manhours and budgets by month, with regard to its services for the next calendar year. Thereafter, on a semi-annual basis, the P.M.O. shall provide Airline with a detailed review and analysis of actual manhours and expenditures against estimates, including reallocation of budgets if required, with regard to its services. More frequent reviews will be provided upon Airline's reasonable request therefor.

(c) The P.M.O. shall provide Airline with monthly invoices that describe time charges for the P.M.O. staff assigned to the Improvements and Common Improvements, and any other costs associated with the services provided by the P.M.O. Airline may, within ten (10) days of such provision, request a meeting with the P.M.O. to review and discuss such invoices. The P.M.O. shall hold such meeting or provide Airline with a reasonable opportunity for such a meeting, and give due consideration to Airline's concerns and recommendations regarding such invoices. Airline may further request, at Airline's expense, City to review and audit P.M.O. invoices related to the Improvements and Common Improvements at any time. Airline shall, upon reasonable request therefor, receive copies of all such audits performed by City and may interview the personnel who performed such audits. In no event shall Airline withhold from the P.M.O. the payment of any undisputed amount.

Paragraph 5. Access To Work Site.

Airline, and its architects, engineers, materialmen, and contractors of any tier, shall have, at their own risk, full and complete access to the Demised Premises and such other areas in the Airport as may be necessary to perform Work on the Improvements and Common Improvements, provided that such access shall not unreasonably interfere with the operations of or other projects at the Airport. The P.M.O. shall have authority to arrange, and shall arrange such access in a timely fashion. Notwithstanding any other statements herein, it is Airline's responsibility to coordinate its Work with operations of and all other projects at the Airport. Airline is solely responsible for any costs relating to such coordination.

Paragraph 6. No Warranty By City.

Airline warrants that it has inspected the Demised Premises, and any other areas in the Airport as may be necessary to perform Work on the Improvements and Common Improvements; that it was permitted access to any person or information in connection with its investigation of the Demised Premises and such areas; that the time for such investigation was adequate; that from its own analysis it has satisfied itself as to the nature of all things needed to perform the Work; and that except only for those representations expressly contained in this Lease, no other representation, statement or promise, oral or in writing, of any kind whatsoever, by City, its officials, agents or employees, has been made regarding the nature, existence or location of materials, structures, obstructions, utilities or conditions, surface, subsurface or environmental, which may be encountered at the Demised Premises or such other areas.

Exhibit "D".

I. Equal Employment And Affirmative Action.

Paragraph 1. Minority And Women Business Enterprises.

Airline (the "Company") shall provide for the participation of Minority and Women Business Enterprises in the design and construction of the Improvements and Common Improvements. To this end, the Company shall establish a policy for the utilization of Minority and Women Business Enterprises, a liaison with the Department of Aviation and Department of Purchasing for Minority and Women Business Enterprises, a goal for the award of design and construction contracts, and a reporting procedure agreeable to the Company and the City.

Paragraph 2. Policy.

The following statement represents Company's policy regarding Equal Opportunity and a Minority and Women Business Enterprises program:

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

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

Paragraph 3. Liaison.

To ensure compliance and the successful management of Airline's Minority and Women Business Enterprise program, the Company shall establish a Minority and Women Business Enterprise liaison with City's Department of Aviation and with the City's Department of Purchases, Contracts and Supplies for the Improvements and Common Improvements. Further, all personnel of Company and all others with responsibilities in the supervision of contracts for the Improvements and Common Improvements are to see that actions are performed consistent with the affirmative action goals of this Exhibit D.

Paragraph 4. Goals.

The goals to be met by the Company in the design and construction of the Improvements and Common Improvements shall be with utilization of Minority Business Enterprises (M.B.E.) and Women Business Enterprises (W.B.E.) certified by the City of Chicago subject to the availability of M.B.E. and W.B.E. capable of performing the design and construction of the Improvements and Common Improvements. These goals shall be administered in a manner to assure the City and Company that: (1) the Improvements and Common Improvements shall be completed at a reasonable and acceptable cost to Company, (2) the Improvements and Common Improvements shall be completed on a reasonable and acceptable timetable to Company and City, and (3) the construction quality for the

Improvements and Common Improvements shall be reasonable and acceptable to Company and City.

The goals of the Company for participation by Minority and Women Business Enterprises (M.B.E. and W.B.E.) in the design and construction of the Improvements and Common Improvements shall be to achieve a minimum of M.B.E. participation of 25% and W.B.E. participation of 5%, based on the total contracted expenditures for the Improvements and Common Improvements.

Should Company determine that no M.B.E. and W.B.E. is capable or available to perform work on the Improvements or Common Improvements, it shall notify the Commissioner of Aviation specifying the type of work required and the reasons an M.B.E. and/or W.B.E. is not available to perform such work. The Commissioner shall forward the Company's statement to the Department of Purchasing, who shall determine if any M.B.E. and W.B.E. are available to perform the work needed. If the Department of Purchasing determines that certified M.B.E. and W.B.E. are available to perform such work, it shall notify the Company of such availability and Company will be required to utilize such M.B.E. and W.B.E. to the extent the goals set forth above can be met.

Paragraph 5. Eligibility.

Only those persons, firms, partnerships, corporations or other legal entities certified by the City of Chicago as a certified M.B.E. and/or W.B.E. shall be eligible for purposes of meeting the goals established by Paragraph 4 hereof.

Paragraph 6. Reporting.

The Minority and Women Business Enterprise progress report required by Section IV of this Exhibit D shall be made on forms or on a format established by the City and agreeable to Company that includes the following items:

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

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

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

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

(v) An evaluation of the overall progress to date towards the Minority and Women Business Enterprise goals for the Improvements and Common Improvements.

II. Equal Employment Opportunity And Affirmative Action Plan.

The Company must commit to establish, maintain and implement a written Equal Employment Opportunity and Affirmative Action Plan (the "E.E.O./A.A. Plan") for the Improvements and Common Improvements, which plan is acceptable to the City and the Company.

The E.E.O./A.A. Plan will be considered in relation to the following goals for employment of women and minorities:

Minority Employment:

25% of skilled hours

40% of laborer hours

Women's Employment:

7% of skilled hours

10% of laborer hours

III. Chicago First Hiring Program.

In the event there are contracts subject to this Exhibit D, the City, through the Mayor's Office of Employment and Training ("M.E.T."), will provide a Chicago First Hiring Program ("Chicago First Program") to the Company. An objective of the Chicago First Program is to ensure that City residents who have received training and skill development through M.E.T. are afforded consideration for jobs created through development projects.

The Company agrees to negotiate a Chicago First Agreement (the "First Source Agreement") with M.E.T. for the recruitment and referral of personnel for positions available in the construction and/or operation of the Improvements and Common Improvements.

The Company agrees to ensure that in the aggregated hours of work to be performed by all contractors and site work subcontractors in the construction of the Improvements and the Common Improvements, at least 50% of the on-site worker hours in the category of construction laborers and at least 50% of the on-site worker hours in the category of skilled construction trade workers shall be residents of the City.

IV. Reporting And Compliance.

In the event that there are contracts subject to this Exhibit D, at quarterly intervals, beginning ninety (90) days following the execution of this Lease; the Company shall submit to the City progress reports on forms or on a format established by the City's Department of Purchases, Contracts and Supplies and agreeable to the Company, that provide required information concerning Company's compliance with the Company's M.B.E./W.B.E. requirements, E.E.O. and Affirmative Action Plan, and Chicago First Hiring Program.

V. Non-Responsible Bidder.

Prior to awarding any contracts for the Improvements or Common Improvements, Company shall provide City with the names of vendors who may be awarded such contracts. City shall promptly notify Company if a potential vendor appears on the City's list of non-responsible bidders. Company agrees that no contracts for the Improvements and Common Improvements shall be awarded to persons or corporations identified on the City's list of non-responsible bidders, so long as such list does not discriminate against any bidders because of race, religion, age, handicap, color, sex, national origin, citizenship or political affiliation.

VI. Contracting Authority Of Company.

Nothing contained herein shall be deemed to supersede the authority and responsibility of the Company with respect to the contracting process for construction of the Improvements and Common Improvements.

Appendix "I".

EXECUTION OF CARGO BUILDING SITE LEASE WITH COMPAGNIE NATIONALE AIR FRANCE AND ISSUANCE OF SPECIAL FACILITY REVENUE BONDS FOR CONSTRUCTION OF CARGO FACILITY AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

On motion of Alderman Burke, the City Council took up for consideration the report of a Joint Committee, comprised of the members of the Committee on Finance and the members of the Committee on Aviation, deferred and published in the Journal of the Proceedings of December 5, 1990, pages 27108 and 27113 through 27360, recommending that the City Council pass a proposed ordinance authorizing the execution of a Cargo Building Site Lease with Compagnie Nationale Air France and the issuance of Special Facility Revenue Bonds for the construction of said cargo facility at Chicago O'Hare International Airport.

(Continued on page 28359)

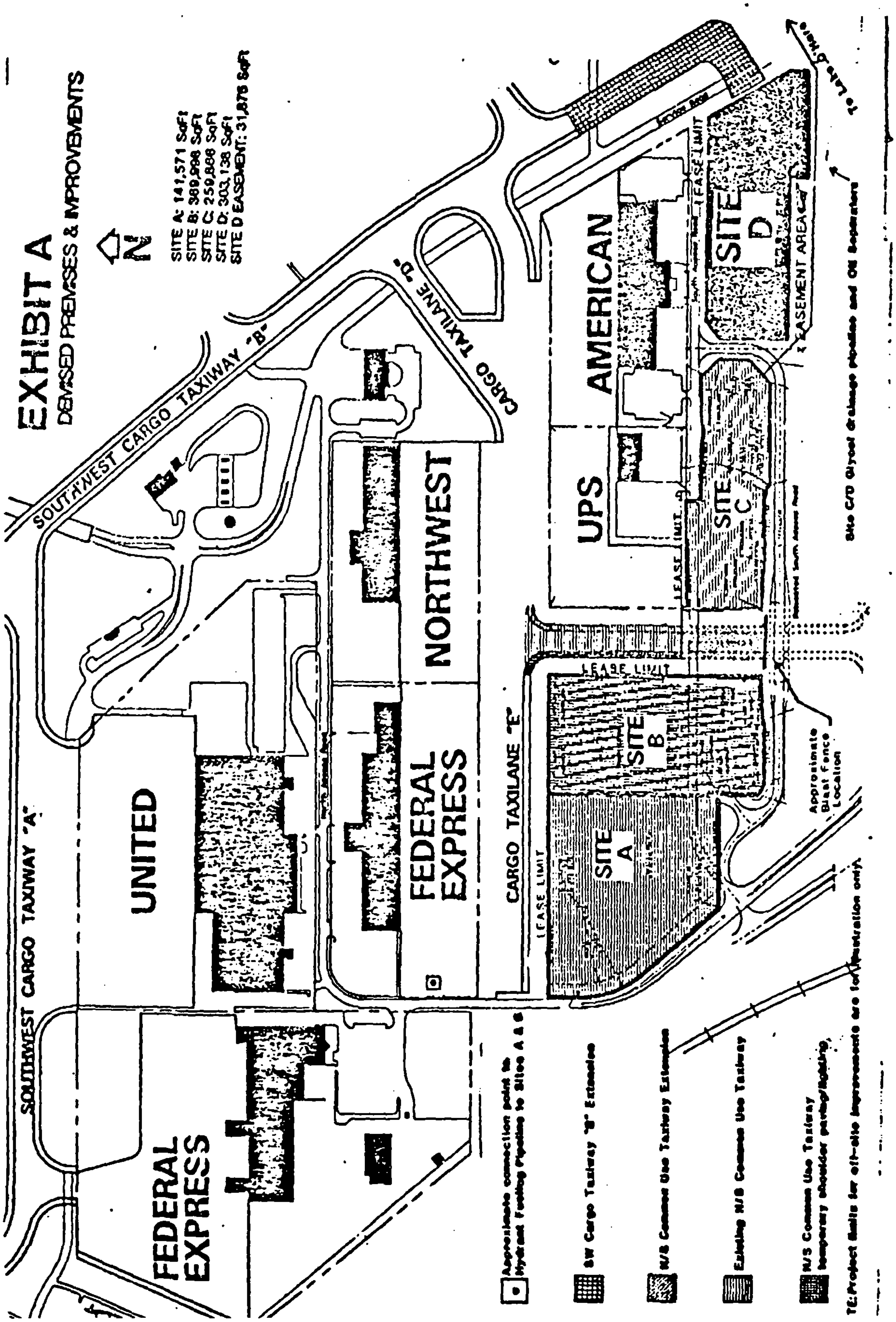


EXHIBIT A
DEMISED PREMISES & IMPROVEMENTS
N
SOUTHWEST CARGO TAXIWAY "A"
SOUTHWEST CARGO TAXIWAY "B"
CARGO TAXILANE "D"
CARGO TAXILANE "E"
FEDERAL EXPRESS
UNITED
FEDERAL EXPRESS
NORTHWEST
UPS
AMERICAN
SITE A
SITE B
SITE C
SITE D
LEASE LIMIT
EASEMENT AREA
Approximate Blast Fence Location

Exhibit "B".
(Page 1 of 2)

Common Improvements -- Lufthansa.

1) Lufthansa will reimburse the O.D.P. for its share of the cost of relocating the South Access Road and associated utilities (O.D.P. No. 434). Project cost will be allocated among those benefiting from the relocation as a percentage share of each site in proportion to the total square footage of the sites, as follows:

Carrier	Lease Area (Sq. Ft.)	Percentage Share
Lufthansa	441,571	41%
Air France	369,998	35%
KLM	259,866	24%

2) Where required, Lufthansa will reimburse any airline operating or constructing a cargo facility in the Southwest Cargo Area for the reasonable cost of blast fencing needed to protect such airline from jet blast caused by aircraft operations at the Lufthansa site. Any airline entitled to reimbursement from Lufthansa pursuant to this section shall notify Lufthansa in writing of the amount of the claim, and Lufthansa shall reimburse such airline upon presentation of appropriate invoices.

3) Lufthansa shall pave at its own cost whatever area ("Area") between the outer taxiway/taxilane shoulders and facility lease limits that is required for its aircraft to have access to the cargo facility. In addition, Lufthansa, at its own cost, shall relocate or remove any existing facilities such as taxiway/taxilane lighting or re-striping from the Area.

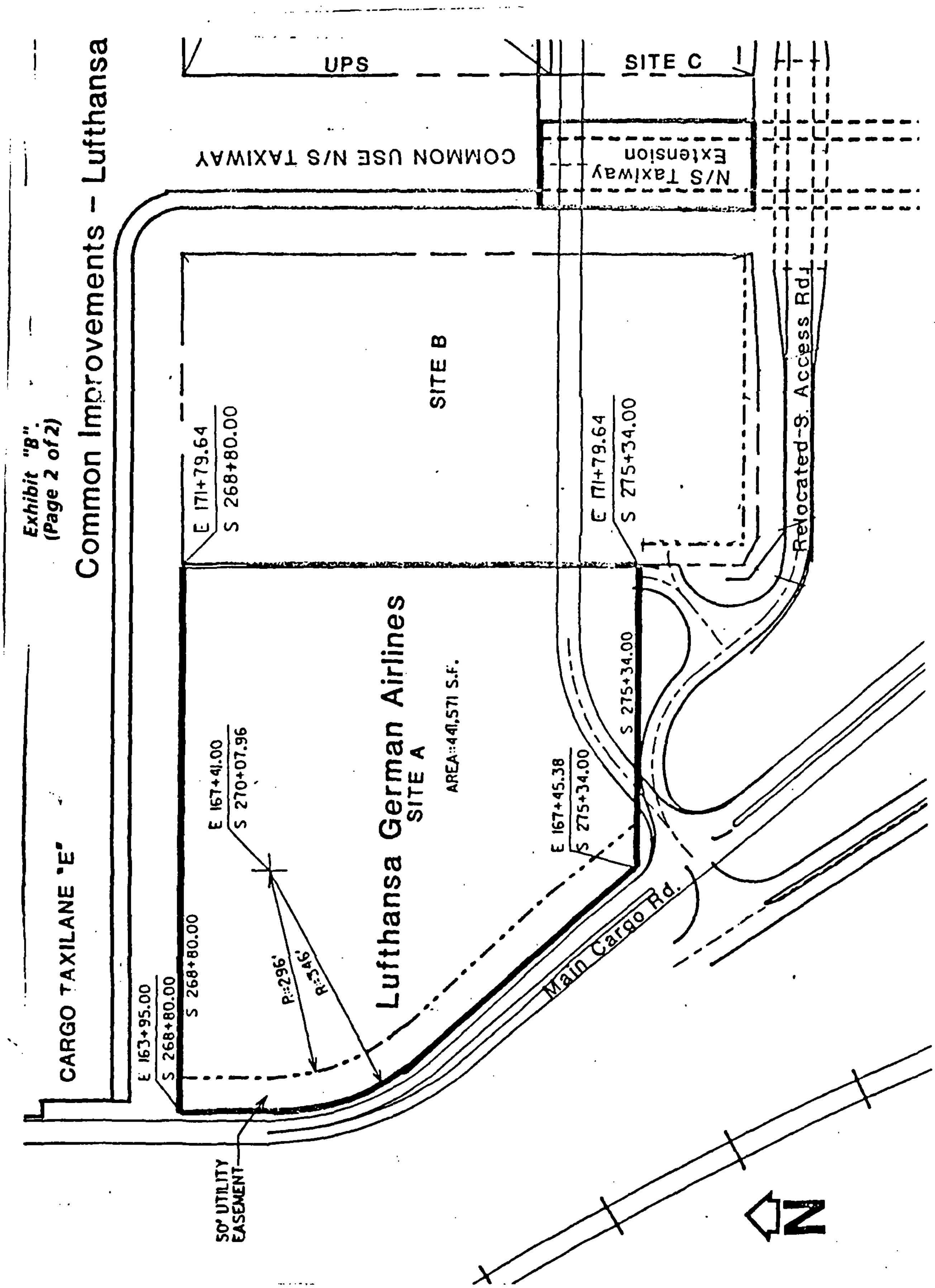
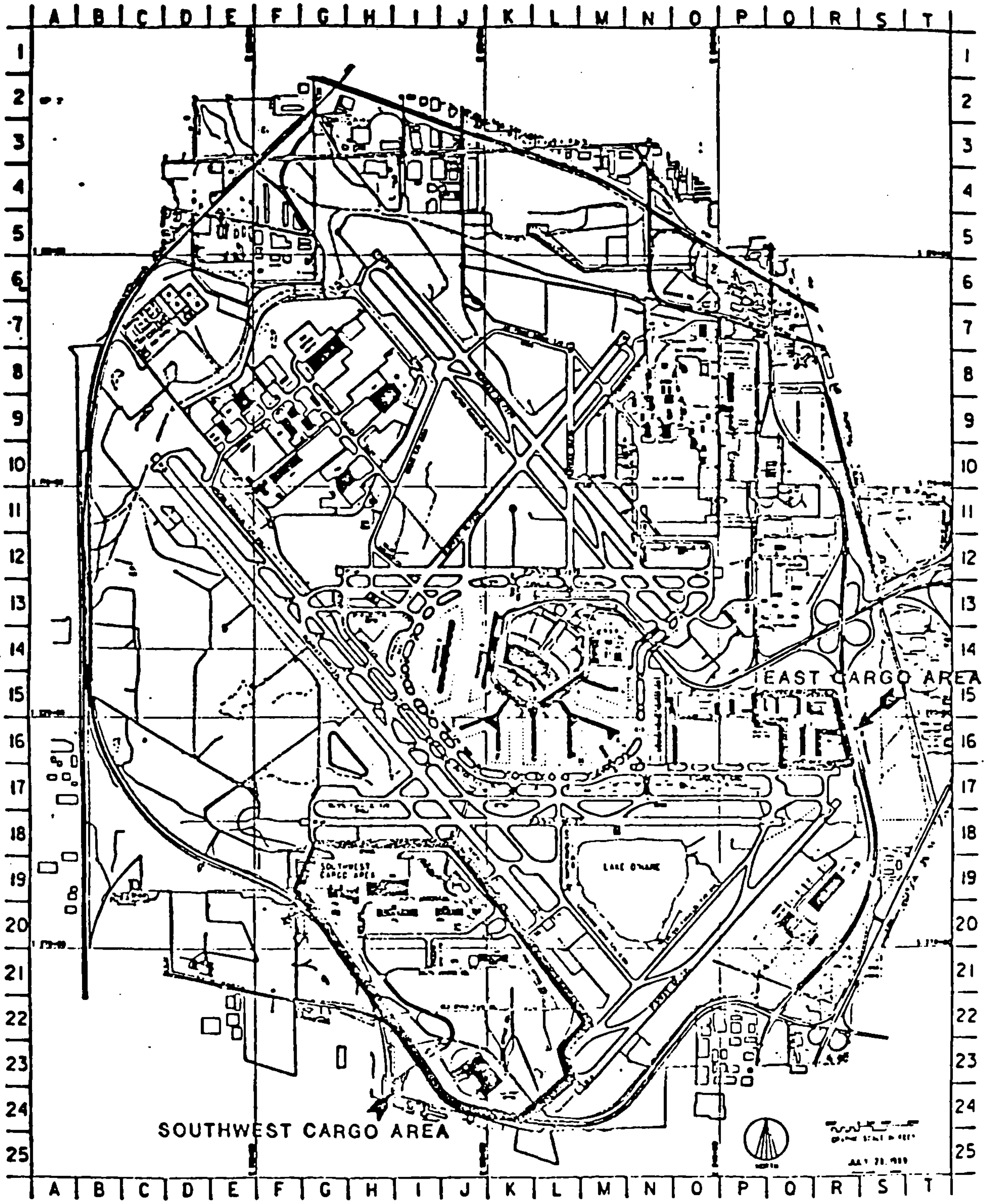


Exhibit "B"
(Page 2 of 2)
Common Improvements – Lufthansa
UPS
SITE C
COMMON USE N/S TAXIWAY
N/S Taxiway
Extension
SITE B
E 171+79.64
S 268+80.00
E 171+79.64
S 275+34.00
Relocated S. Access Rd.
Lufthansa German Airlines
SITE A
AREA=41,571 S.F.
E 167+41.00
S 270+07.96
S 275+34.00
E 167+45.38
S 275+34.00
Main Cargo Rd.
R=296'
R=346'
E 163+95.00
S 268+80.00
S 268+80.00
CARGO TAXILANE "E"
50' UTILITY EASEMENT
N

EXHIBIT E: O'HARE CARGO AREAS



Areas Included for calculating Operating & Maintenance costs

(Continued from page 28354)

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a duly constituted and existing municipality within the meaning of Section 1 of 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) of Article VII of the Constitution; and

WHEREAS, The City currently owns and operates an airport known as Chicago-O'Hare International Airport (the "Airport"); 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 cost of the design, construction and equipping of a new cargo facility and certain other facilities for the benefit of Compagnie Nationale Air France (the "Airline") at the Airport; and

WHEREAS, The City is in the process of implementing a major redevelopment of the Airport and as part of such redevelopment the City now desires to provide for, among other things, the design, financing, constructing and installation of the Project by the Airline on behalf of the City; and

WHEREAS, The City Council enacted an ordinance on July 19, 1989 (as amended and supplemented by an ordinance enacted on September 26, 1990, the "Inducement Ordinance") authorizing the execution and delivery of an agreement between the Airline and the City providing for the issuance of the City's special facility revenue bonds for the purpose, among others, of financing costs relating to the design, construction and equipping of a new cargo facility at the Airport for the use of the Airline, certain costs associated with the relocation, construction and reconstruction of necessary and related service roads, taxiways, utilities and other appurtenances and certain other costs relating to the construction and equipping of other facilities used by the Airline at the Airport including, without limitation, certain security systems (the "Project"); and

WHEREAS, The Airline has requested that the City issue its special facility revenue bonds for the purpose, among others, of financing the cost of the Project; and

WHEREAS, The Project (and such further improvements or other accessions to the Project as may hereafter be deemed necessary or desirable by the City and the Airline during the term of the Site Lease (as hereinafter defined) relating to such cargo facility and made subject to its provisions in order to be financed by the issuance of Bonds hereunder) are proposed to be financed by the issuance of "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project)" (the "Bonds") issued in one or more series pursuant to an Indenture of Trust in substantially the form (including certain optional provisions to be inserted therein if the Series 1990 Bonds shall bear interest at a variable rate) submitted to this meeting (the "Indenture") from the City to Independence Bank of Chicago and The First National Bank of Chicago, jointly and severally as Trustee (the "Bond Trustee"), providing security for such Bonds; and

WHEREAS, Bonds to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project), Series 1990" (if the Series 1990 Bonds shall bear interest at a variable rate, the words "Variable Rate Demand" shall be inserted before the word "Series") (the "Series 1990 Bonds"), are presently proposed to be issued in an aggregate principal amount not to exceed $25,000,000 in order to pay the presently expected costs of the Project and other costs and expenses related thereto, including the costs of issuance of the Series 1990 Bonds; and

WHEREAS, The City desires to enter into the Indenture and, in connection therewith, an Arbitrage Compliance Agreement with the Airline and the Trustee and to execute and deliver a General Tax Certificate and a Non-Arbitrage Certification, each in substantially the form submitted to this meeting (collectively, the "City Tax Documents"), relating to the Series 1990 Bonds; and

WHEREAS, The City and the Airline desire to enter into a Cargo Building Site Lease in substantially the form submitted to this meeting (the "Site Lease") for the cargo facility comprised in the Project and a Special Facility Use Agreement (Cargo Facility) in substantially the form submitted to this meeting (the "Use Agreement") in order to provide, among other things, for the payment by the Airline at certain specified times of such amounts as will be sufficient in the aggregate to enable the City to pay when due the principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Bonds; and

WHEREAS, The City and certain Underwriters (as hereinafter defined) desire to enter into a Contract of Purchase in substantially the form submitted to this meeting (the "Contract of Purchase") pursuant to which the City will sell and the Underwriters will purchase the Series 1990 Bonds; and

WHEREAS, The Airline will deliver a Letter of Representation to the City and the Underwriters in substantially the form submitted to this meeting (the "Letter of Representation") pursuant to which the Airline will make certain representations, warranties and covenants to the City and the Underwriters, and certain agreements with the Underwriters; and

WHEREAS, There has been prepared and presented to this meeting of the City Council a form of the Preliminary Official Statement of the City (the "Preliminary Official Statement") relating to the Series 1990 Bonds;

Now, Therefore, In consideration of the foregoing premises,

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

SECTION 1. Findings and Determinations. The City Council hereby finds and determines:

(a) that the construction and financing of the Project as provided in this Ordinance constitute a valid public purpose within the meaning of the Constitution; and

(b) that to secure the Series 1990 Bonds, the pledge and assignment by the City under the Indenture of certain of its rights under the Use Agreement to the Trustee is necessary and proper.

SECTION 2. Definitions. In addition to the words and terms defined in the preambles to this Ordinance, 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:

"City Clerk" means the City Clerk of the City or, with respect to attestation or affixing the City Seal, the Deputy City Clerk of the City.

"Official Statement" means the Official Statement of the City, together with all appendices attached thereto, relating to the Series 1990 Bonds, whether in its preliminary form (the "Preliminary Official Statement") to be distributed before the signing of the Contract of Purchase (referenced in Section 7(a) below), or in its final form after the execution and delivery of such Contract of Purchase.

"Ordinance" means this Ordinance.

"Underwriters" means Smith Barney, Harris Upham & Co., Incorporated and the other underwriters named as parties in the Contract of Purchase.

SECTION 3. Authorization of Use of Proceeds of the Series 1990 Bonds and of the Project. The costs of the Project, as provided in the Indenture (as executed), shall be and are hereby authorized to be financed by the issuance of the Series 1990 Bonds as described herein. The estimated costs of (1) the design, construction and equipping of the Project, as provided in the Indenture; (2) the payment of interest on and fees and charges of the Credit Provider (as defined in the Indenture), if any, for the Series 1990 Bonds during the period estimated to be required for the design, construction and equipping of the Project; (3) the funding of the Debt Service Reserve Requirement for the Series 1990 Bonds, as defined in the Indenture, if any; and (4) the expenses of issuing the Series 1990 Bonds, initial fees and charges of the Credit Provider, if any, for the Series 1990 Bonds and Underwriters' discount may be financed from the proceeds of the issuance of the Series 1990 Bonds. The Project is authorized to be designed, constructed and equipped according to the description and in the manner provided in Exhibits A and B attached to the Site Lease and in Exhibit A attached to the Use Agreement (as executed).

SECTION 4. Authorization, Terms and Payment of the Series 1990 Bonds.

(a) For the purpose of financing the costs of the Project there are hereby authorized to be issued by the City its Series 1990 Bonds designated as provided in the Indenture (as executed) in an aggregate principal amount not to exceed $25,000,000. The Series 1990 Bonds may be issuable in fully registered, physical certificated form or in book-entry only form registered in the name of a nominee of the Book-Entry Depository (as defined in the Indenture); shall be issued in Authorized Denominations (as defined in the Indenture); and shall be dated and numbered as provided in the Indenture (as executed).

(b) The Series 1990 Bonds shall mature no later than May 1, 2018, and shall bear interest at the fixed or variable rate set forth in the Indenture (as executed), which rate shall not at any time be greater than 15%.

(c) The date of issuance, numbers, Stated Maturity (as defined in the Indenture), interest rate or manner of determination thereof set forth in the Indenture (as executed), the principal amount of the Series 1990 Bonds, and the aggregate purchase price for the Series 1990 Bonds shall be determined as provided in Section 7 hereof. The principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Series 1990 Bonds shall be payable as provided in the Indenture (as executed).

(d) The Series 1990 Bonds shall be subject to mandatory and optional redemption and tender for purchase, if any, before their Stated Maturity upon the terms and conditions set forth in the Indenture (as executed).

SECTION 5. The Series 1990 Bonds are Limited Obligations. The Series 1990 Bonds shall be limited obligations of the City secured solely by a pledge of certain "Special Facility Revenues" (as defined in the Indenture) derived by the City under the Use Agreement, and by other specified sources pledged or otherwise provided under the Indenture (as executed), and shall be a valid claim of the owners thereof only against the funds and other moneys held by the Trustee with respect to the Series 1990 Bonds and such Special Facility Revenues, which Special Facility Revenues shall be used to pay the principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Series 1990 Bonds, and for such other purposes expressly authorized in the Use Agreement and the Indenture (each as executed). The Series 1990 Bonds will not be general obligations of the City and will not constitute any indebtedness or a loan of credit of the City, the State of Illinois or any political subdivision of the State of Illinois, or a charge against the general credit or taxing powers of the City, the State of Illinois or any political subdivision of the State of Illinois within the meaning of any constitutional or statutory provisions of the State of Illinois, or otherwise.

SECTION 6. Assignment. As security for the due and punctual payment of the principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Series 1990 Bonds herein authorized, the City will, in the Indenture (as executed), assign and pledge to the Trustee (i) Special Facility Revenues derived by the City under the Use Agreement (as executed), (ii) certain rights and remedies of the City under the Use Agreement and the Site Lease (each as executed), and (iii) any other rights or revenues assigned or pledged under the Indenture. Such assignment and pledge is hereby found and determined to be necessary and proper to secure the Series 1990 Bonds.

SECTION 7. Approval and Execution and Delivery of the Contract of Purchase, Letter of Representation and Official Statement; Delegation of Authority; Execution and Delivery of the Series 1990 Bonds.

(a) The forms of the Contract of Purchase and Letter of Representation submitted to this meeting is hereby approved in all respects. The Mayor or the City Comptroller is hereby authorized and directed, with the concurrence of the Chairman of the Committee on Finance of the City Council, to execute and deliver a Contract of Purchase providing for the sale of the Series 1990 Bonds to the Underwriters in substantially the form of the Contract of Purchase submitted to this meeting, and to execute, solely in confirmation and acceptance thereof, a Letter of Representation in substantially the form of Letter of Representation submitted to this meeting, in each case with such changes therein and completions thereof, subject to the limitations contained in paragraph (b) of this Section 7, as shall be deemed necessary or appropriate by the officer of the City executing the Contract of Purchase and the Letter of Representation, the execution thereof by such officer to constitute conclusive evidence of the approval of such changes and completions by the City Council. The officer of the City executing the Contract of Purchase and confirming the Letter of Representation is hereby authorized and directed to file an executed counterpart of each of such documents with the City Clerk and the Trustee on the date of the closing of the sale of the Series 1990 Bonds. The City Comptroller is hereby authorized to select a group of securities underwriters led by Smith Barney, Harris Upham & Co., Incorporated to act as Underwriters for the Series 1990 Bonds. The sale to the Underwriters of the Series 1990 Bonds pursuant to the terms and conditions of the Contract of Purchase are hereby approved.

(b) Authority is hereby delegated to the Mayor or the City Comptroller to determine the aggregate principal amount, the date of issuance, numbers, the Stated Maturity, the fixed or variable interest rate set forth in the Indenture (as executed), and the aggregate purchase price or prices of the Series 1990 Bonds; provided that (i) the aggregate principal amount, the final maturity date, and the interest rate of the Series 1990 Bonds shall not at any time exceed the limits set forth in Section 4, and (ii) the aggregate purchase price for the Series 1990 Bonds shall not be less than ninety-seven percent (97%) of the principal amount thereof to be issued.

(c) To evidence the exercise of the authority delegated to the Mayor and the City Comptroller pursuant to paragraph (b) of this Section 7, the Mayor or the City Comptroller is hereby authorized and directed to execute and file with the Trustee, on the date of the closing of the sale of the Series 1990 Bonds, a certificate setting forth the determinations made pursuant to the authority granted in such paragraph, which certificate shall constitute conclusive evidence of the proper exercise of such authority. In addition, the Mayor or the City Comptroller shall file in the Office of the City Clerk, on the date of the closing of the sale of the Series 1990 Bonds, a notification of sale of the Series 1990 Bonds setting forth (1) the aggregate principal amount of the Series 1990 Bonds, (2) the Stated Maturity of the Series 1990 Bonds, (3) the numbers of the Series 1990 Bonds, (4) the fixed or variable interest rate for the Series 1990 Bonds, (5) the aggregate purchase price at which the Series 1990 Bonds shall have been sold to the Underwriters, and

(6) the total compensation paid to the Underwriters in connection with the sale of the Series 1990 Bonds. In addition, executed copies of the Preliminary Official Statement, the Indenture, the Use Agreement, the final Official Statement, the Contract of Purchase and the Letter of Representation shall be filed with such notification of sale.

(d) The form of Preliminary Official Statement of the City with respect to the Series 1990 Bonds (including certain optional information and statements to be inserted therein if the Series 1990 Bonds shall bear interest at a variable rate) submitted to this meeting is hereby approved in all respects. The Mayor or the City Comptroller is hereby authorized and directed to execute and deliver a Preliminary Official Statement to the Underwriters in substantially the form of the Preliminary Official Statement submitted to this meeting, with such changes therein and completions thereof, as shall be deemed necessary or appropriate by the officer of the City executing the Preliminary Official Statement, the execution thereof by such officer to constitute conclusive evidence of the approval of such changes and completions by the City Council. The distribution of the Preliminary Official Statement and of the Final Official Statement, in substantially the form of the form of Preliminary Official Statement submitted to this meeting, as authorized in the following sentence, to prospective purchasers and the use thereof by the Underwriters in connection with the offering of the Series 1990 Bonds are hereby authorized. The Mayor or City Comptroller is hereby authorized, in the name and on behalf of the City, to execute and deliver to the Underwriters the Final Official Statement, in substantially the form of the form of the Preliminary Official Statement submitted to this meeting, with such changes, omissions, insertions and revisions therein as shall be deemed necessary or appropriate by the officer of the City executing the Final Official Statement, the execution or acceptance thereof by such officer to constitute conclusive evidence of the approval of such changes, omissions, insertions and revisions and of the form of Final Official Statement by the City Council. The Mayor or the City Comptroller is hereby authorized to execute and deliver any certificates contemplated by Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, relating to the issuance and sale of the 1990 Bonds.

(e) The form of the Series 1990 Bonds (including certain optional provisions to be inserted therein if the Series 1990 Bonds shall bear interest at a variable rate) in substantially the form submitted to this meeting, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture and the Contract of Purchase (each as executed) is hereby approved. Pursuant to the Indenture, the Mayor or the City Comptroller shall execute the Series 1990 Bonds on behalf of the City, by manual or facsimile signature, and the corporate seal of the City or a facsimile thereof shall be affixed, imprinted, engraved or otherwise reproduced on the Series 1990 Bonds and they shall be attested by the manual or facsimile signature of the City Clerk. Upon such execution on behalf of the City, the Series 1990 Bonds shall be delivered to the Trustee for authentication and thereupon shall be authenticated by the Trustee and shall be delivered pursuant to written order of the City authorizing and directing the delivery of the Series 1990 Bonds to or upon the order of the Underwriters.

(f) No further approval or action of the City Council shall be necessary or required for the actions, executions and deliveries contemplated and directed in this Section 7 to be effective and any such actions, executions and deliveries shall constitute the legal and validly binding actions of the City.

SECTION 8. Execution of Other Documents; Delegation of Authority.

(a) Each of the Site Lease, the Use Agreement and the Indenture, in substantially the form submitted to this meeting, is hereby authorized and approved. The Mayor or the City Comptroller is hereby authorized, for and on behalf of the City, to execute and deliver the Site Lease, the Use Agreement, the Indenture and the City Tax Documents in substantially the forms submitted to this meeting and the City Clerk is hereby authorized, as appropriate, to attest the same and to affix thereto the corporate seal of the City. The Site Lease, the Use Agreement, the Indenture and the City Tax Documents may contain such changes therein and revisions consistent with the purposes and intent of this Ordinance as shall be deemed necessary or appropriate by the officer of the City executing the same, the execution or acceptance thereof to constitute conclusive evidence of approval of any and all changes therein or revisions thereof by the City Council; 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 or desirable to carry out and comply with the provisions of such agreements (as executed).

(b) No further approval or action of the City Council shall be necessary or required for the actions, executions and deliveries contemplated in and directed in this Section 8 to be effective, and any such actions, executions and deliveries will constitute the legal and validly binding actions of the City.

SECTION 9. Appointment of Trustee, Book-Entry Depository and Other Agents. The appointment of Independence Bank of Chicago and The First National Bank of Chicago, both of Chicago, Illinois, jointly and severally as Trustee under the Indenture is hereby authorized, approved and confirmed. The Mayor or the City Comptroller may, in such officer's discretion specify whether, for efficient administration thereof, the Series 1990 Bonds should be registered in book-entry only form, and if so determined, such officer is authorized to appoint Depository Trust Company, New York, New York or Midwest Securities Trust Company, Chicago, Illinois (or their nominee) as securities depository for the Series 1990 Bonds. The securities depository and the agreements of the City relating thereto in the standard forms of such securities depository with such changes therein and completions thereof as deemed necessary or desirable by the officer of the City executing the same are hereby approved. The Mayor or the City Comptroller is hereby authorized, for and on behalf of the City, to execute and deliver such agreements of the City relating to the securities depository, and the City Clerk is hereby authorized, as appropriate, to attest the same and to affix thereto the corporate seal of the City, and such agreements may contain such changes therein and revisions consistent with the purposes and intent of this Ordinance as shall be deemed necessary or appropriate by the officer of the City executing the same, the execution of acceptance thereof to constitute conclusive evidence of approval of any and all changes therein or revisions thereof by the City Council. If the Series 1990 Bonds shall bear interest at a variable rate, the Mayor or the City Comptroller is authorized to appoint Smith Barney, Harris Upham & Co., Incorporated or such other of the Underwriters as such officer, in his discretion, may deem appropriate to act as remarketing agent for the Series 1990 Bonds and is further authorized to appoint First Chicago Trust Company of New York, Chemical Bank or such other depository institution located in New York City, as such officer, in his discretion, may deem appropriate to act as tender agent or despositary for the Series 1990 Bonds.

SECTION 10. Credit Facility. The Mayor or the City Comptroller may, in such officer's discretion, select a Credit Facility (as defined in the Indenture) to support or secure payment of the Series 1990 Bonds, if deemed necessary or desirable by such officer for the efficient marketing of the Series 1990 Bonds, and upon any such determination, such officer is hereby authorized to select the Credit Provider (as defined in the Indenture) for the Series 1990 Bonds. The Credit Facility and the agreements of the City relating thereto in the standard forms of the Credit Provider, with such changes and completions thereof as shall be deemed necessary or desirable by the officer of the City executing the same, are hereby approved; provided that all costs of the Credit Facility shall be paid out of the proceeds of the sale of the Series 1990 Bonds or otherwise borne by the Airline. The Mayor or the City Comptroller is hereby authorized, for and on behalf of the City, to execute and deliver such agreements of the City relating to the Credit Facility, and the City Clerk is hereby authorized, as appropriate, to attest the same and to affix thereto the corporate seal of the City, and such agreements may contain such changes therein and revisions consistent with the purposes and intent of this Ordinance as shall be deemed necessary or appropriate by the officer of the City executing the same, the execution or acceptance thereof to constitute conclusive evidence of approval of any and all changes therein or revisions thereof by the City Council.

SECTION 11. Election to Apply Transition Rule; Allocation of Volume Cap.

(a) The City Comptroller is hereby authorized to designate all or any portion of the Series 1990 Bonds as bonds described in Section 1317(5)(B) of the Tax Reform Act of 1986.

(b) By the adoption of this Ordinance, the City hereby allocates to the Series 1990 Bonds and the Project volume cap authorization in accordance with Section 103(n) of the Internal Revenue Code of 1954, as amended, and Section 146 of the Internal Revenue Code of 1986, as amended, as and to the extent such volume cap authorization is appropriate or necessary to effectuate the designation authorized in paragraph (a) of this Section 11.

SECTION 12. Performance Provisions. The Mayor, the City Comptroller 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 1990 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, the City Comptroller, the City Clerk and the other officers, agents and employees of the City (including the Commissioners of the Department of Aviation and the Department of Public Works) shall be, and they are hereby, further authorized and directed for and on behalf of the City, to execute and deliver 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 148 of the Internal Revenue Code of 1986, as amended, with respect to the Series 1990 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 Site Lease, the Use Agreement, the Indenture, the City Tax Documents, the Preliminary Official Statement, the Final Official Statement, the Contract of Purchase and the Letter of Representation and to discharge all of the obligations of the City hereunder and thereunder.

SECTION 13. Proxies. The Mayor and the City Comptroller may each designate another person to act as their respective proxy and to affix their respective signatures to the Series 1990 Bonds, whether in temporary or definitive form, and to any other instrument, agreement, certificate or document required to be signed by the Mayor or the City Comptroller pursuant to this Ordinance. In each case, the Mayor or the City Comptroller shall send to the City Council written notice of the person so designated, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor or the City Comptroller, as the case may be. A written signature of the Mayor or the City Comptroller, as the case may be, respectively executed by the person so designated, shall be attached to such notice. Each such notice, with the signatures attached, shall be recorded in the Journal of the Proceedings of the City Council and filed with the City Clerk. When the signature of the Mayor or the City Comptroller is placed on an instrument, certificate or document at the direction of the Mayor or the City Comptroller, as the case may be, in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor or the City Comptroller in person, as the case may be.

SECTION 14. Equal Employment and Minority Business Participation. It is the policy of the City to comply with all local, state and federal laws and regulations, where applicable, regarding equal employment opportunity and minority business participation, and the City Council of the City is desirous that the City avoid penalties and grant forfeitures resulting from noncompliance with such local, state and federal laws and regulations.

SECTION 15. Severability. It is the intention of this City Council that if any section, paragraph, clause or provision 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.

SECTION 16. Captions. 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.

SECTION 17. Conflicting Provisions Repealed. 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.

SECTION 18. Publication. 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.

SECTION 19. Effective Immediately. This Ordinance shall be in full force and effect from and after its adoption.

Indenture of Trust, Special Facility Use Agreement, Preliminary Official Statement, Contract of Purchase, Letter of Representation, General Tax Certificate, Non-Arbitrage Certification, Arbitrage Compliance Agreement and Cargo Building Site Lease attached to this ordinance read as follows:

City Of Chicago

To

Independence Bank Of Chicago

And

The First National Bank Of Chicago,

As Trustee.

Indenture Of Trust

Securing Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Compagnie Nationale Air France Project).

Dated As Of October 1, 1990.

This Indenture of Trust is dated as of October 1, 1990, and is from the City of Chicago (the "City"), a municipal corporation and home rule unit of local government duly organized and validly existing under the laws of the State of Illinois, to Independence Bank of Chicago, a banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Illinois, with its principal corporate trust office located at 7936 South Cottage Grove Avenue in Chicago, Illinois, and The First National Bank of Chicago, a banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, with its principal corporate trust office located at One First National Plaza in Chicago, Illinois (each a "Trustee" and, as further hereinafter set forth, jointly and severally, the "Trustee").

Recitals.

Whereas, The City is a home rule unit of local government, duly organized and validly existing under the laws of the State of Illinois and in accordance with the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution") and is authorized to own and operate commercial and general aviation facilities; and

Whereas, The City currently owns and operates an airport known as Chicago-O'Hare International Airport (as further hereinafter defined, the "Airport"); 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 design, construction, reconstruction, improvement, equipping and modernization of facilities at the Airport and is in the process of implementing a major redevelopment of the Airport; and

Whereas, Compagnie Nationale Air France, a corporation organized and existing under the laws of the Republic of France (as further hereinafter defined, the "Airline"), is a holder of a foreign air carrier permit duly issued under the Federal Aviation Act of 1958, as amended, authorizing it to operate in foreign air transportation to and from the City of Chicago, and has entered into an International Terminal Use Agreement and Facilities Lease dated as of January 1, 1990, authorizing it to use certain facilities of the Airport in the transportation of passengers; and

Whereas, The City, as part of its redevelopment of the Airport, has entered into a Cargo Building Site Lease dated as of [October 1], 1990 (as further hereinafter defined, the "Site Lease"), with the Airline, providing, among other things, for the design, construction and installation of certain improvements at the Airport (as further hereinafter defined, the "Project") by the Airline on behalf of the City and the lease, use and occupancy of the Project by the Airline; and

Whereas, By ordinance duly adopted by its City Council (as further hereinafter defined, the "Authorizing Ordinance"), the City has undertaken to issue and sell its Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project) in one or more Series (as further hereinafter defined, the "Bonds"), in order to provide funds to finance all or part of the costs of the Project, including without limitation costs of further improvements and other accessions to the Project (as further hereinafter defined, "Additions") and costs and expenses incidental to the Project (including such Additions) and to the issuance of each Series of the Bonds; and

Whereas, Pursuant to the Authorizing Ordinance, the City has entered into a Special Facility Use Agreement (Cargo Facility) dated as of October 1, 1990 (as further hereinafter defined, the "Agreement"), with the Airline, wherein the Airline has, among other things, undertaken to pay, in addition to other moneys available for the purpose, amounts sufficient to pay the Bonds in full; and

Whereas, The City desires to secure the Bonds by a pledge of its revenues and receipts and certain of its rights under the Agreement; and

Whereas, The execution and delivery of this Indenture and the issuance and sale of the Bonds have been in all respects duly and validly authorized by the Authorizing Ordinance; and

Whereas, The Bonds and the Trustee's certificate of authentication to be endorsed thereon are all to be in substantially the form set forth as Exhibit A attached hereto and by this reference incorporated herein, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

Whereas, The Project constitutes a "Special Facility Improvement", the Bonds constitute "Special Facility Revenue Bonds" and the Agreement and this Indenture, together with the other documents contemplated hereby, constitute a "Special Facility Financing Arrangement", all within the meaning of, and as defined by, the City's General Airport Revenue Bond Ordinance (as hereinafter defined); and

Whereas, The Special Facility Revenues (as hereinafter defined) provided under the Agreement have been assigned and pledged by the City to the Trustee to secure the payment of the principal of and interest and redemption premium, if any, on the Bonds as provided in the Indenture, and the Airline has agreed in the Agreement that the Special Facility Revenues will be sufficient to pay in full such principal of and interest and redemption premium, if any, on the Bonds; and

Whereas, The Special Facility Revenues will not constitute "Revenues" within the meaning of, and as defined by, and the General Airport Revenue Bond Ordinance and accordingly are free of any assignment, pledge, lien or security interest in favor of the holders and owners of the City's General Airport Revenue Bonds as hereinafter defined in this Indenture or any person other than the Trustee; and

Whereas, The execution and delivery of the Bonds and of this Indenture have been duly authorized, and all things necessary to make the Bonds, when executed by the City and authenticated by the Trustee, valid and binding legal obligations of the City and to make this Indenture a valid and binding agreement have been done;

Now, Therefore, This Indenture Of Trust Witnesseth:

That the City in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, One Dollar duly paid to the City by the Trustee at or before the execution and delivery of these presents and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of and interest on all Bonds outstanding hereunder from time to time, according to their tenor and effect and to secure the observance and performance by the City of all the covenants expressed or implied herein and in the Bonds, does hereby pledge and assign unto the Trustee, and unto its successors and assigns forever;

Granting Clause First.

The Agreement, including all extensions and renewals of the term thereof, if any, together with all right, title and interest of the City therein (except for Unassigned Rights and the right of the Trustee to payment of its fees and expenses pursuant to Section 4.2(d) of the Agreement), including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the moneys, income, revenues, issues, profits and other amounts payable or receivable thereunder, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things that the City or any other person is or may become entitled to do under the Agreement;

Granting Clause Second.

All payments to be received by the City (except as provided in the preceding paragraph) under the Agreement, together with all other Special Facility Revenues, and all moneys and earnings thereon held by the Trustee in the Special Facility Revenue Fund, the Construction Fund, the Debt Service Reserve Fund and the Bond Fund under the terms of this Indenture; and

Granting Clause Third.

Any and all other property of any nature from time to time hereafter by delivery or by writing of any kind pledged or assigned 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 time and all times and to hold and apply the same subject to the terms hereof;

To Have And To Hold, all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever;

But In Trust, Nevertheless, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds from time to time issued under and secured by this Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as expressly provided herein with respect to different Series of the Bonds;

Upon Condition that if the City, its successors or assigns, shall well and truly cause to be paid the principal of the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under Article IV hereof or shall provide, as permitted by Article XII hereof, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof to the extent provided herein, then this Indenture and the rights hereby granted shall cease, determine and be void; 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 the Special Facility Revenues hereby assigned and 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 owners from time to time of the Bonds as follows:

Article I.

Definitions.

Section 101. Definitions.

(a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) All references in this Indenture to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words "herein", "hereof", "hereto", "hereby" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(2) The terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular.

(3) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(4) Every "request", "order", "demand", "application", "appointment", "notice", "statement", "certificate", "consent" or similar action required to be taken hereunder by the City shall, unless the form thereof is specifically provided, be in writing signed by the Authorized City Representative.

(5) Any other terms used herein that are defined in the Agreement shall have the same meanings assigned them in the Agreement unless otherwise defined herein or unless the context otherwise requires.

(6) In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding".

(7) At any time there are more than one Trustee hereunder, with respect to the performance of duties imposed and exercise of powers granted to the Trustee hereunder, the word "Trustee" shall refer to whichever of the several Trustees shall be responsible for each of the duties imposed upon and powers granted to the Trustee hereunder, as agreed upon by and among the several Trustees. Notwithstanding any such agreement and unless expressly otherwise provided herein, the several Trustees shall be jointly and severally liable for each of such duties and all other obligations of the Trustee hereunder and shall be jointly and severally authorized hereunder to exercise each of such powers, and the word "Trustee" shall otherwise refer to the several Trustees jointly and severally.

(b) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

"Additions" means any further improvements or other accessions to the Project as may hereafter be deemed necessary or desirable by the City and the Airline during the term of the Site Lease and made subject to its provisions that are financed by the issuance of Bonds hereunder.

"Administrative Expenses" means all costs and expenses, whether Ordinary Expenses or Extraordinary Expenses, of, or incidental to, the administration of this Indenture, any Supplemental Indentures and the Agreement that are payable by the Airline under the Agreement or payable out of the Administrative Fund or the Trust Estate hereunder, including without limitation fees, premiums, interest amounts and other charges of and costs and expenses incurred by the Trustee, any Co-Trustee, any of their agents and employees, of any Credit Provider (other than the Airline or any of its affiliates), or any other Person designated in any Supplemental Indenture.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, and for the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Aggregate Cost" of the Project or any Additions means the sum of all Costs thereof.

"Agreement" means the Special Facility Use Agreement (Cargo Facility) of even date herewith relating to the Bonds, by and between the City and the Airline, as from time to time amended and supplemented.

"Airline" means Compagnie Nationale Air France, a corporation organized under the laws of the Republic of France, and any surviving, resulting or transferee corporation as permitted under Section 5.3 of the Agreement.

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

"Architect" means the architect or firm of architects selected by the Airline and approved by the City that is acting at the time as the architect for the Project.

"Authorized Airline Representative" means such person who, at the time, shall have been designated as such pursuant to the provisions of Section 3.5 of the Agreement by a written certificate furnished to the City and the Trustee containing the specimen signature of such person and signed on behalf of the Airline by its President, any Vice President, Treasurer or Assistant Treasurer. Such certificate may designate an alternate or alternates.

"Authorized City Representative" means the Comptroller of the City or such other person at the time designated to act on behalf of the City by a written certificate furnished to the Airline and the Trustee containing the specimen signature of such person and signed on behalf of the City by its Executive Officer. Such certificate may designate an alternate or alternates.

"Authorized Denominations" means any integral multiple of $5,000, unless otherwise specified with respect to a particular Series of Bonds in this Indenture.

"Authorizing Ordinance" means the Ordinance adopted by the City Council of the City on [Ordinance Date] authorizing the issuance of the Series 1990 Bonds, the execution and delivery by the City of and its performance of its obligations under this Indenture, the Agreement, the Site Lease and other documents required or advisable in connection with the consummation of the transactions contemplated therein, as it may be amended or supplemented by further ordinances of the Governing Body of the City from time to time.

"Bond" or "Bonds" means any one or more of the bonds authorized, authenticated and delivered under this Indenture.

"Bond Counsel" means an attorney-at-law or a firm of attorneys-at-law of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia, selected by the City and approved by the Airline, which approval shall not be unreasonably withheld.

"Bond Fund" means the fund created by Section 405 hereof.

"Bond Registrar" means the bond registrar appointed as such under Section 205 hereof, including any co-bond registrar.

"Bondholder" or "holder of Bonds" or "owner of Bonds" means the Registered Owner of any Bond.

"Book-Entry Depository" means Midwest Securities Trust Company, Chicago, Illinois, or any other depository institution designated by the City, whether as successor thereto or in replacement thereof or independently, in this Indenture to act as a depository in connection with a book-entry system for maintaining ownership of interests in the Series 1990 Bonds or any other Bonds, as the case may be.

"Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks in New York, New York, Chicago, Illinois, or Paris, France, are authorized by law or executive order to close.

"City" means the City of Chicago, a municipal corporation and home rule unit of local government duly organized and validly existing under the laws of the State of Illinois.

"Code" means the United States Internal Revenue Code of 1986, as amended and the Internal Revenue Code of 1954, as amended, to the extent applicable to the Bonds pursuant to Section 1317(5)(B) of the Tax Reform Act of 1986 (P.L. 99-514). References to the Code and to sections of the Code shall include relevant final, temporary or proposed regulations thereunder as in effect from time to time and as applicable to the Bonds.

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

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

"Completion Date" of the Project or of any Additions means the date of completion thereof as that date shall be certified in accordance with Section 3.4 of the Agreement.

"Construction Fund" means the fund created by Section 301 of this Indenture.

"Construction Period" with respect to the Project or any Additions means the period between the beginning of construction thereof or the date on which the initial Series of Bonds whose proceeds are used to finance the construction thereof are first delivered to the purchasers of such Series, whichever is earlier, and the Completion Date thereof.

"Cost" or "Costs" of the Project or any Additions means individually or collectively any of the items of cost or expense described in Section 303 hereof authorized to be paid from the Construction Fund pursuant to the provisions of Section 304 hereof.

"Costs of Issuance" means any or all of the following costs and expenses: the initial or acceptance fee of the Trustee, Trustee fees and expenses incurred during the Construction Period, legal, financial and accounting fees and expenses, and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Bonds, the execution and filing, if any, of the Indenture and the Agreement, and the preparation of all other documents in connection therewith, and payment of all fees, costs and expenses in connection with the preparation of the

Agreement, the Site Lease, the Indenture, and the Bonds and the consummation of the transactions contemplated hereby.

"Counsel" means an attorney-at-law or a firm of attorneys-at-law (who may be an employee of or counsel to the City, the Airline or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"Credit Facility" means, with respect to all Bonds, the Guaranty of the Airline and, with respect to any particular Series of Bonds (or specified Stated Maturity thereof), the guaranty, irrevocable letter of credit, line of credit, bond insurance or other form of credit enhancement and/or liquidity support, if any, including any alternate or replacement Credit Facility, for such Series of Bonds specified in this Indenture with respect to such Series of Bonds.

"Credit Provider" means, with respect to any particular Series of Bonds, the provider of a Credit Facility, if any, for such Series of Bonds specified in this Indenture with respect to such Series of Bonds.

"Debt Service Reserve Fund" means the fund created by Section 408 hereof.

"Debt Service Reserve Requirement" means, at any time, for a particular Series of Bonds or the Series Account in the Debt Service Reserve Fund with respect to such Series, the balance then required to be maintained in the Debt Service Reserve Fund or in the Series Account, if any, with respect to such Series, as determined pursuant to the provisions of Sections 204 and 211 hereof.

"Default" or "default" or "event of default" means an occurrence or event specified in and defined by Section 801 hereof.

"Executive Officer" means the Mayor of the City, the Comptroller of the City, or such other person as the Mayor shall designate in writing to perform any function or duty required by any provision of this Indenture or the Agreement to be performed by the Executive Officer.

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

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

"Force majeure" means any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the governments of the United States or the State, or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; lightning; earthquakes; fires; tornadoes; volcanic eruptions; storms; droughts; floods; explosions; breakage, or malfunction or accident to machinery, transmission lines, pipes or canals, even if resulting from negligence; civil disturbances; or any other cause not reasonably within the control of the Airline.

"General Airport Revenue Bond Ordinance" means the 1983 Chicago-O'Hare International Airport General Airport Revenue Bond Ordinance, as adopted by the Governing Body of the City on March 31, 1983, as amended or supplemented from time to time in accordance with its terms.

"General Airport Revenue Bonds" means bonds of the City heretofore or hereafter authenticated and delivered pursuant to the General Airport Revenue Bond Ordinance.

"Governing Body" means the City Council of the City, or any successor as legislative governing body of the City.

"Governmental Obligations" means (i) any bonds or other obligations of the United States of America that as to principal and interest constitute direct obligations of the United States of America or the full and timely payment of which are unconditionally guaranteed by the United States of America, are noncallable and at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein or (ii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clause (i) of this definition.

"Guaranty" means the Irrevocable and Unconditional Guaranty dated as of October 1, 1990 of the Airline of the payment of all principal of and interest on the Bonds.

"Indenture" means this instrument as originally executed as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Interest Payment Date" means the first (1st) day of each April and October, beginning with April 1, 1991, or, if such day is not a Business Day, then the first Business Day thereafter, unless otherwise specified with respect to a particular Series of Bonds, in this Indenture.

"Investment Securities" means any of the following obligations or securities, to the extent permitted by law, on which neither the Airline nor any of its direct or indirect subsidiaries or affiliates (within the meaning of Section 1301 hereof) is the obligor:

(i) direct obligations of the United States of America and agencies thereof, or

(ii) obligations fully guaranteed by the United States of America, or

(iii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least $300,000,000 (including the Trustee if such conditions are met), or

(iv) commercial paper of any holding company of a bank, trust company or national banking association described in clause (iii), or

(v) bearer note deposits with, or certificates of deposit issued by, or promissory notes of, any subsidiary incorporated under the laws of Canada or any province thereof of any bank, trust company or national banking association described in clause (iii), or

(vi) commercial paper of companies having a rating assigned to such commercial paper by S. & P. or Moody's (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization, or

(vii) certificates of deposits denominated in United States Dollars issued by, or United States Dollar time deposits with, the European subsidiaries of (a) any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least $300,000,000 or (b) any other bank having combined capital and surplus and retained earnings of at least $300,000,000, or

(viii) Yankee certificates of deposit or commercial paper, both denominated in United States Dollars, issued by, or bankers' acceptances denominated in United States Dollars of, any bank having combined capital and surplus and retained earnings of at least $300,000,000 and headquartered in France, Canada, Japan, the United Kingdom, West Germany, Switzerland or the Netherlands (provided that any investment made pursuant to this clause (viii) shall be in a minimum amount of $1,000,000), or

(ix) time deposits denominated in United States Dollars with any Canadian bank having a combined capital and surplus and retained earnings of at least $300,000,000, or

(x) money market accounts of the Trustee or any bank whose debt obligations are rated at least P-1 or Aa by Moody's or at least A-1 or AA by S. & P., or whose holding company parent's debt obligations are rated at least A-1 or AA by S. & P. or at least P-1 or Aa by Moody's or combined capital and surplus is not less than $30,000,000, or

(xi) repurchase agreements with any financial institution or securities dealer having combined capital and surplus and retained earnings of at least $50,000,000 with any of the obligations of the type described in clauses (i) through (ix) above as acceptable collateral, provided that the term of any such repurchase agreement shall not exceed 90 days.

The parties hereto agree that the definition of Investment Securities may be amended from time to time on written notice from the Airline, in accordance with Section 1001.

"Leased Premises" means the Demised Premises as defined in the Site Lease, including the Project.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Airline and acceptable to the Trustee.

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

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered and those expenses, including fees of counsel, normally incurred by a trustee or paying agent under instruments similar to this Indenture.

"Outstanding" or "outstanding" or "Bonds Outstanding", in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under this Indenture, except:

(i) Bonds theretofore cancelled or required to be cancelled under Section 210 hereof;

(ii) Bonds that are deemed to have been paid in accordance with Section 410 or Article XII hereof; and

(iii) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

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

"Plans and Specifications" means the plans and specifications describing the Project or any Additions, as originally submitted and as amended from time to time and approved by the City, all in accordance with the Site Lease, as duly certified by an Authorized Airline Representative.

"Project" means certain improvements constituting a cargo facility at the Airport, which are more fully described in Exhibit A to the Agreement, as said Exhibit A may from time to time be amended.

"Qualified Airport Facilities" means airports and directly related storage and training facilities within the meaning of and qualifying under Section 142(a) of the Code.

"Qualified Costs of Construction" means that portion of the Aggregate Cost of the Project that comprises items constituting or included in Qualified Airport Facilities, which items will be charged to the Project's capital account for federal income tax purposes or would be so chargeable either with a proper election by the owner of the Project under the Code or but for a proper election by the owner of the Project to deduct the amount thereof, and were incurred and paid, or are to be incurred and paid, after July 19, 1989.

"Rebate Fund" means the fund created by Section 415 hereof and administered in accordance with the Tax Documents.

"Record Date" means the close of business on the fifteenth (15th) day of the month immediately preceding each Interest Payment Date, unless otherwise specified with respect to a particular Series of Bonds in this Indenture.

"Recording Officer" means the City Clerk or Deputy City Clerk of the City.

"Registered Owner" or "Owner" means the Person or Persons in whose name or names a Bond shall be registered on books of the City kept for that purpose in accordance with the terms of this Indenture.

"S. & P." means Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of [ ], its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S. & P." shall be deemed to refer to any other nationally recognized securities rating agency designated by the Airline and acceptable to the Trustee.

"Series" means all of the Bonds authenticated and delivered on a single date on original issuance and designated as a Series pursuant to this Indenture.

"Series Account" or "Series Sub-Account" means, with respect to any Series of Bonds, the account or sub-account, as the case may be, in any Fund or account therein in which moneys applicable to such Series are deposited and from which they are disbursed pursuant to the terms of this Indenture.

"Series 1990 Bonds" means the Series of Bonds issued pursuant to Section 204 of this Indenture.

"Site Lease" means the Cargo Building Site Lease dated as of [October 1], 1990, between the City, as lessor, and the Airline, as lessee, as amended.

"Special Facility Revenue Fund" means the fund created by Section 402 of this Indenture.

"Special Facility Revenues" means the amounts pledged hereunder to the payment of principal of and interest and redemption premium, if any, on the Bonds, comprising the following: (i) all amounts payable from time to time by the Airline under the Agreement, except for Unassigned Rights and all receipts of the Trustee credited under the provisions of this Indenture or the Agreement against said amounts payable (including without limitation any excess rents payable by a replacement tenant under Section 12.01(c) of the Site Lease that are available to the Trustee for payment of such principal, interest or redemption premium), and (ii) any amounts paid into the Bond Fund from the Construction Fund or the Debt Service Reserve Fund or otherwise, including income on investments.

"State" means the State of Illinois.

"Stated Maturity" means with respect to any Bond the date specified in such Bond as the fixed date on which the entire principal amount of such Bond is due and payable.

"Supervising Consultant" means the person designated by the Commissioners pursuant to paragraph 2(b) of Exhibit C to the Site Lease.

"Tax Documents" means the Arbitrage Compliance Agreement by and among the City, the Airline and the Trustee, the General Tax Certificate and the Non-Arbitrage Certification executed by the City and the Airline's Project Cost and Tax Certificate executed by the Airline, each dated as of October 1, 1990, and any similar agreement or certificate setting forth various arbitrage related representations and/or covenants with respect to any particular Series of Bonds, as each may from time to time be amended or supplemented.

"Trust Estate" means, subject to the provisions of Section 415 hereof, the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

"Trustee" means either Independence Bank of Chicago, Chicago, Illinois, or The First National Bank of Chicago, Chicago, Illinois, jointly and severally, any successor to either of them serving as trustee hereunder pursuant to Section 906 or Section 909 hereof, and any separate or co-trustee serving as such hereunder.

"Unassigned Rights" means the rights of the City to execute and deliver (subject to the provisions of the Agreement and this Indenture), or to decline to execute and deliver, supplements or amendments to the Agreement or this Indenture, the rights of the City to receive documentation and notices under the Agreement, the rights of the City under Sections 3.1(a) and 3.4(b) of the Agreement and the rights of the City to be held harmless, to be reimbursed for its expenses and to be indemnified under Sections 4.2(c), 5.4, 5.8, 5.9 and 6.4 of the Agreement, and to enforce such rights in its own name and for its own account to the extent provided in Section 6.2 of the Agreement or in its sole discretion to waive the same in particular instances under Section 6.5 of the Agreement.

Article II.

The Bonds.

Section 201. Authorization For This Indenture And The Bonds.

(a) This Indenture is adopted by virtue of and pursuant to the home rule powers of the City. The City has ascertained and hereby determines and declares that the adoption of this Indenture is necessary to meet the commercial and general aviation needs of the citizens of the City, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the City and to carry out its powers and is in furtherance of the public benefit, safety and welfare of the City, and that each and every covenant or agreement contained and made herein is necessary, useful or convenient in order better to secure the Bonds issued hereunder and are contracts or agreements necessary, useful and convenient to carry out and effectuate the corporate purposes of the City.

(b) In consideration of the purchase and acceptance of Bonds issued hereunder by those who shall hold the Bonds from time to time, the provisions of this Indenture shall be a part of the contract of the City with the holders of such Bonds and shall be deemed to be and shall constitute a contract between the City, the Trustee and the holders from time to time of such Bonds.

(c) In order to provide sufficient funds for the financing of the Project and any Additions, Bonds are hereby authorized to be issued from time to time in one or more Series as hereinafter provided, without limitation as to amount, except as provided herein or as may be limited by law, for the purposes of (i) the payment, or the reimbursement for the payment of, the Costs of the Project or any Additions, as provided in Sections 303 and 304 hereof, or (ii) the funding of any Fund or account or sub-account therein created by this Indenture, including, in case of each Series of Bonds, payment of Costs of Issuance thereof.

(d) All Series of the Bonds and the interest thereon shall be equally and ratably secured by the pledge of Special Facility Revenues contained in this Indenture.

Section 202. Title, Form And Other General Terms Of Bonds.

(a) Title. The general title of the Bonds of all Series shall be "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project)". With respect to the Bonds of any particular Series, the City may incorporate in or add to the general title of such Bonds any words, letters or figures designed to distinguish that Series.

(b) Form. The Bonds and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by and more particularly set forth elsewhere in this Indenture or in an indenture supplemental hereto with respect to a particular Series of Bonds, and may have such letters, numbers or other marks of identification and such legends or endorsement placed thereon as may be required to comply with the rules of any securities exchange, or as may, consistently herewith, be determined by the Executive Officers executing such Bonds as evidenced by this execution thereof and as required or permitted by the Authorizing Ordinance. Any portion of the text of any

Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

(c) Reproduction. The definitive Bonds shall be printed, lithographed or engraved or produced by any combination of these methods or produced in any other manner permitted by the rules of any securities exchange or which any Series of the Bonds may be listed or any depository for maintaining ownership of any Series of Bonds through a book-entry system, all as determined by the Executive Officers executing such Bonds as evidenced by their execution thereof and as required or permitted by the Authorizing Ordinance.

(d) Only Registered Bonds. The Bonds shall be issuable only as fully registered bonds without coupons in Authorized Denominations and shall be numbered as determined by the Trustee unless the City shall otherwise direct.

(e) Manner of Payment. Except as otherwise specified in this Indenture with respect to a particular Series of Bonds, the principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee; provided that the payment of interest alone with respect to the Bonds shall be made to the Registered Owner thereof:

(1) by check or draft mailed on the applicable Interest Payment Date to the Registered Owner as of the close of business on the applicable Record Date, at his address as it appears on the registration books of the City; or

(2) by wire transfer on the applicable Interest Payment Date to any Registered Owner of $500,000 or more in aggregate principal amount of the Bonds as of the close of business on the applicable Record Date if such Registered Owner shall provide written notice to the Trustee not less than fifteen (15) days before such Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice) of such wire transfer address in the continental United States as such Registered Owner shall specify,

except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Bonds are registered at the close of business on the fifth (5th) Business Day next preceding the date of payment of such defaulted interest. Payment of principal shall be made only upon presentation and surrender of each Bond, as the same becomes due, at the principal corporate trust office of the Trustee.

(f) Interest on Bonds. Each Series of Bonds shall bear interest from the most recent Interest Payment Date with respect to such Series to which interest has been paid in full or duly provided for (or, if none, from the initial date such Series of Bonds shall be dated), until payment of the principal thereof shall have been made or provided for in accordance with the provisions of this Indenture, whether at Stated Maturity, upon redemption, by acceleration or otherwise. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue interest at the rate borne by such Bond on the day the same became due.

Section 203. Terms Of Particular Series.

Each Series of Bonds, except the Series 1990 Bonds created by Section 204 hereof, shall be created by an indenture supplemental hereto authorized by the Governing Body of the City establishing the terms and provisions of such Series of Bonds and the form of the Bonds of such Series. The several Series of Bonds may differ from the Series 1990 Bonds and as between Series in any respect not in conflict with the provisions of this Indenture and as may be prescribed in the supplemental indenture creating such Series.

Section 204. Terms Of The Series 1990 Bonds.

(a) Following the execution of this Indenture, the City may issue an initial Series of Bonds, designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project), Series 1990" (as hereinabove defined, the "Series 1990 Bonds"), and the aggregate principal amount thereof to be issued under this Indenture shall not exceed $25,000,000. The Series 1990 Bonds shall be in the form of Exhibit A hereto with such insertions, omissions, substitutions and variations as may be determined by the Executive Officers executing the same, relying on the advice of Bond Counsel, as evidenced by their execution thereof to reflect the applicable of the Series 1990 Bonds established by this Section. Each of the Series 1990 Bonds shall bear the identifying letter "R", followed by an Arabic numeral to be assigned to each, such numbers to be assigned consecutively from "1" upwards.

(b) The Series 1990 Bonds initially shall be dated as of October 1, 1990, and each Series 1990 Bonds subsequently issued in exchange for another Series 1990 Bond or Bonds shall be dated as of the most recent Interest Payment Date or other date to which interest has been paid or duly provided for.

(c) Each Series 1990 Bond shall bear interest at the rate of [Interest Rate]% per annum from its date, or from the most recent Interest Payment Date or other date to which interest has been paid or duly provided for, until the principal amount thereof is paid or duly provided for, beginning April 1, 1991, and semiannually thereafter on April 1 and October 1 in each year (as hereinabove defined, each an "Interest Payment Date"), calculated on the basis of a 360-day year comprising twelve 30-day months.

(d) The Series 1990 Bonds may be redeemed by the City, at the option of the Airline, on any Business Day on or after October 1, [ ], in whole or in part, at the redemption prices (expressed as percentages of the principal amount of the Bonds to be so redeemed) set forth in the following table plus accrued interest to the date fixed for redemption:

Period (both dates inclusive)	Redemption Price
[ ] through [ ]	[102%]
[ ] through [ ]	[101%]
[ ] and thereafter	100%,

pursuant to the applicable provisions of Article VI hereof.

(e) The proceeds from the issuance and sale of the Series 1990 Bonds, minus underwriters' discount of $[ ] and original issue discount of $[ ], plus accrued interest, shall be applied for the purposes set forth in this Indenture, and to such end upon receipt shall be deposited as follows:

(1) There shall be deposited $[ ], representing a portion of the capitalized interest, in the Capitalized Interest Account in the Construction Fund.

(2) There shall be deposited $[ ] in the Costs of Issuance Account in the Construction Fund.

(3) There shall be deposited $[ ] in the Debt Service Reserve Fund in satisfaction of the Debt Service Reserve Requirement for the Series 1990 Bonds.

(4) There shall be deposited $[ ], representing accrued interest on the Series 1990 Bonds, in the Interest Account in the Bond Fund.

(5) There shall be deposited $[ ], representing the balance of the net proceeds of the issuance and sale of the Series 1990 Bonds, in the Construction Account in the Construction Fund.

(f) The City hereby designates Midwest Securities Trust Company, Chicago, Illinois, to act as Book-Entry Depository with respect to the Series 1990 Bonds. The City hereby authorizes and directs the Trustee to, and covenants and agrees that the City itself will, execute and deliver such agreements and instruments as shall be reasonably requested by the Book-Entry Depository as necessary or advisable in order to effectuate such book-entry system as administered by such Book-Entry Depository, the provisions of which shall in no event be inconsistent with or contradict the provisions of this Indenture.

(g) The Debt Service Reserve Requirement for the Series 1990 Bonds shall equal the least of (i) ten percent (10%) of the original aggregate principal amount of the Series 1990 Bonds, (ii) the maximum amount of interest payable on the Series 1990 Bonds on any two consecutive Interest Payment Dates, or (iii) the maximum amount permitted under the Code. Moneys on deposit in the Debt Service Reserve Fund with respect to the Debt Service Reserve Requirement for the Series 1990 Bonds shall not be available to pay the principal of or interest on any Series of Bonds other than the Series 1990 Bonds.

Section 205. Registration, Transfer And Exchange.

(a) 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. With the consent of the Airline, the Trustee may appoint any other bank, trust company or national banking association with its principal corporate trust office located in Chicago, Illinois, to act as authenticating agent or co-bond registrar under such conditions as the Trustee may prescribe. References herein to the Bond Registrar shall be deemed to include any such authenticating agent or co-bond registrar to the extent permitted by, and consistent with, the conditions prescribed by the Trustee in its appointment of any such authenticating agent or co-bond registrar.

(b) Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the City shall cause to be executed and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds, for a like aggregate principal amount.

(c) Bonds accompanied by an assignment duly executed by the Registered Owner thereof or his duly authorized attorney, in such form as shall be satisfactory to the Bond Registrar, may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations. The City shall cause to be executed and the Trustee shall authenticate and deliver Bonds that the

Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding. The execution in accordance with Section 206 hereof by the Executive Officer and the attestation by the Recording Officer of any Bond of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond. The Trustee shall not be required to transfer or exchange any Bond during the period beginning 15 days before the mailing of any notice calling such Bond or any portion thereof for redemption and ending on the redemption date.

(d) As to any Bond, the Registered Owner shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of either principal or interest of any such Bond shall be made only to or upon the order of the Registered Owner thereof or his attorney duly authorized in writing, 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.

(e) Exchanges and transfers shall be made without charge to the Bondholders; provided that in each case the Trustee shall require the payment by the Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect thereto.

Section 206. Execution; Limited Obligation.

(a) The Bonds shall be executed on behalf of the City with the facsimile signature of its Executive Officer and attested with the facsimile signature of its Recording Officer, and shall have impressed or printed thereon a facsimile of the corporate seal of the City. Any such facsimile signature shall have the same force and effect as if said Executive Officer or said Recording Officer had manually signed each of said Bonds. If any officer, a facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

(b) The Bonds, together with interest thereon, shall be limited obligations of the City giving rise to no pecuniary liability of the City nor any charge against its general credit or taxing power, shall be payable solely from the Special Facility Revenues and other moneys pledged therefor under this Indenture, and shall be a valid claim of the respective Owners thereof only against the Special Facilities Revenue Fund, the Bond Fund, the Construction Fund, the Debt Service Reserve Fund, the Special Facility Revenues and other moneys held by the Trustee. The Bonds are not in any respect a general obligation of the City, nor are they payable in any manner from revenues raised by taxation. The Project is not security for the Bonds, and the Bonds are not secured by any other properties or improvements at the Airport or the Revenues (as defined in the General Airport Revenue Bond Ordinance) or any other revenues derived by the City from the operation of the Airport generally.

(c) No recourse shall be had for the payment of the principal of or interest or redemption premium, if any, on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against any past, present or future officer, employee or agent, or member of the Governing Body of the City, or any successor to the City, as such, either directly or through the City or any successor to the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, employee or agent, or member of the Governing Body, as such, is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of any of the Bonds.

Section 207. Authentication.

No Bond shall be valid for any purpose until the certificate of authentication on such Bond shall have been duly executed by the Trustee, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of the trust hereby treated. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

Section 208. Mutilated, Destroyed, Lost, Stolen, Or Undelivered Bonds.

(a) Upon receipt by the City and the Trustee of evidence satisfactory to both of them that any Outstanding Bond has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to both of them, the City, in its discretion, may execute and thereupon the Trustee shall authenticate and deliver a new Bond of the same maturity and of like tenor as the mutilated, destroyed, lost or stolen Bond, but bearing a number not contemporaneously outstanding. If any such Bond shall have matured, instead of issuing a replacement Bond, the City may pay the same without surrender thereof. The City and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in this connection.

(b) The City shall cooperate with the Trustee in connection with the issue of replacement Bonds, but nothing in this Section shall be construed in derogation of any rights that the City, the Airline or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issuance of a replacement Bond. In executing a new Bond as provided for in this Section 208, the City may rely conclusively on a representation of the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond.

(c) Every substituted Bond issued pursuant to this Section 208 shall constitute an additional contractual obligation of the City (as provided in this Indenture), whether or not the Bond alleged to have been mutilated, destroyed, lost or stolen or any undelivered Bonds shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

(d) All Bonds shall be owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost, stolen or undelivered Bonds, and shall preclude any and all other rights or remedies.

Section 209. Temporary Bonds.

Pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the City may issue and, upon the request of the City, the Trustee shall authenticate, in lieu of definitive Bonds, one or more temporary typewritten or printed Bonds in Authorized Denominations of substantially the tenor recited above. Upon request of the City, the Trustee shall authenticate definitive Bonds in Authorized Denominations in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 210. Cancellation And Disposition Of Surrendered Bonds.

(a) Upon full payment of any Outstanding Bond or whenever any Outstanding Bond shall be delivered to the Trustee for transfer or for exchange, for cancellation pursuant to this Indenture, or for replacement pursuant to Section 208 hereof, such Bond shall be promptly cancelled by the Trustee and disposed of by the Trustee in accordance with a written direction of an Authorized Airline Representative, and counterparts of a certificate evidencing such disposition shall be furnished by the Trustee to the City and the Airline.

(b) If, before the maturity of any Bond, the Airline surrenders any Bond to the Trustee for cancellation, the Trustee shall cancel such Bond.

Section 211. Issuance And Delivery Of The Bonds.

(a) Upon the execution and delivery of this Indenture, the City shall execute and deliver to the Trustee and the Trustee shall authenticate each Series of the Bonds and deliver them to the purchasers as directed by the City as hereinafter in this section provided.

(b) Before the delivery by the Trustee of any of the Bonds under this Section 211, there shall be filed with the Trustee:

(1) A copy, duly certified by the Recording Officer, of the Authorizing Ordinance;

(2) Original executed counterparts of the Agreement and this Indenture;

(3) An original executed counterpart of the Guaranty;

(4) An opinion of Counsel to the City to the effect that (i) the City has the right and power to execute and deliver this Indenture, the Agreement and the Site Lease; (ii) this Indenture, the Agreement and the Site Lease have been duly and lawfully authorized, executed and delivered by the City, are in full force and effect and are valid and binding upon the City and enforceable in accordance with their respective terms, assuming the Agreement and the Site Lease are valid and binding upon the Airline and enforceable against the Airline in accordance with their respective terms; and (iii) the execution and delivery of, and performance by the City of its obligations under, this Indenture, the Agreement and the Site Lease do not contravene the provisions of any ordinance, statute, or regulation or, to the best knowledge of such Counsel after due inquiry, conflict with any material provision of any indenture, agreement, mortgage, deed of trust or other instruments to which the City is party or by which the City is bound; and

(5) Original executed counterparts of the initial Tax Documents.

(c) Before the delivery by the Trustee of each Series of the Bonds under this Section 211, there shall be filed with the Trustee:

(1) A written order as to the delivery of such Series, signed by an Executive Officer and stating (i) the identity of the purchasers, aggregate

purchase price and date and place of delivery of such Series and (ii) that no Default has occurred and is continuing under this Indenture;

(2) A certificate to the City executed by the Independent Airport Consultant (as defined in the General Airport Revenue Bond Ordinance) certifying the matters required to be certified by the Independent Airport Consultant under Section 903 of the General Airport Revenue Bond Ordinance;

(3) A certificate of an Executive Officer setting forth:

(i) The amount, if any, of the proceeds of the sale of such Series to be paid to the Trustee for deposit in the Debt Service Reserve Account, so that the amount held in the Series Account for such Series therein shall be equal to the Debt Service Reserve Requirement for such Series;

(ii) The amount, if any, of the proceeds of the sale of such Series to be paid to the Trustee for deposit in the Capitalized Interest Account in the Construction Fund;

(iii) The amount of the proceeds of the sale of such Series to be paid to the Trustee for deposit in the Construction Account in the Construction Fund;

(iv) The amount of the proceeds of the sale of such Series to be paid to the Trustee for deposit in the Costs of Issuance Account in the Construction Fund; and

(v) The purpose or purposes for which the balance, if any, of the proceeds of the sale of such Series is to be used;

(4) A copy, duly certified by the Recording Officer, of the ordinance of the Governing Body of the City authorizing the issuance of such Series;

(5) An original executed counterpart of the contract of purchase with respect to such Series of Bonds between the City and the purchasers thereof pertaining to the sale of such Series;

(6) Original executed counterparts of any additional Tax Documents required by Bond Counsel in connection with the issuance and sale of such Series of Bonds; and

(7) Original executed counterparts of any Credit Facility and any other agreements required by the Credit Provider in connection therewith and of any other agreements with any other Persons or any other documents, and any moneys, as are required by the provisions of this Indenture

authorizing the issuance of such Series or with respect to the terms and provisions of Bonds of such Series.

(d) Before the delivery by the Trustee of each Series of the Bonds other than the Series 1990 Bonds, there shall also be filed with the Trustee:

(1) An original executed counterpart of the supplemental indenture authorizing such Series, which shall specify the following, to the extent applicable:

(i) The authorized principal amount and Series designation of such Bonds and/or any limit on the aggregate principal amount of such Series which may be authenticated and delivered under such supplemental indenture (except for Bonds authenticated and delivered upon registration and transfer of, or in exchange for, other Bonds of such Series pursuant to Section 205 hereof);

(ii) The purpose or purposes for which such Series is being issued, including a description of any Additions to be financed from the proceeds of the sale of such Series;

(iii) The dated date or dates, and the date or dates of Stated Maturity, of the Bonds of such Series, or the manner of determining such dates;

(iv) The interest rate or rates to be borne by the Bonds of such Series or the manner of determining such rate or rates and the Interest Payment Dates for such Series;

(v) The manner of dating, numbering and lettering the Bonds of such Series;

(vi) The manner in and redemption price or prices (including any premium) at which Bonds of such Series may be redeemed which shall be consistent with or supplement the provisions of Article VI and other applicable provisions of this Indenture;

(vii) The establishment of any Series Account in the Debt Service Reserve Fund and the amount of any Debt Service Reserve Requirement applicable to such Series;

(viii) The operation and other terms of any sinking, amortization, improvement or other analogous fund applicable to the Bonds of such Series, including the dates of any redemptions or other purchases of the Bonds of such Series required thereby, or the manner of determining such terms or dates;

(ix) Provisions for the sale of the Bonds of such Series;

(x) The identity of any Book-Entry Depository for such Series;

(xi) The nature of the Credit Facility and the identity of the Credit Provider (other than the Airline) with respect to such Series of Bonds, if any;

(xii) Any additional covenants of the City required by the Code or other applicable law; and

(xiii) Any other provisions deemed advisable or necessary by the City as shall not conflict with the provisions of this Indenture; and

(2) An opinion of Counsel to the City confirming the matters set forth in the opinion described in subsection (b)(4) above as they shall apply to such supplemental indenture.

Article III.

Construction Fund.

Section 301. Creation Of The Construction Fund And Accounts Therein.

(a) There is hereby created and ordered established with the Trustee a trust fund in the name of the City to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Construction Fund (Compagnie Nationale Air France Project)" (the "Construction Fund"). The Trustee shall deposit into the Construction Fund and the accounts therein the amounts of proceeds received from the sale of Bonds set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof.

(b) Moneys in the Construction Fund shall be held in trust by the Trustee on behalf of the Bondholders until the moneys in the Construction Fund are disbursed or used as contemplated in this Article. The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all accounts therein and disbursements therefrom.

Section 302. Use Of Moneys In The Construction Fund.

The moneys on deposit in the Construction Fund and the accounts therein created shall be applied for the purposes and uses specified below:

(a) Costs of Issuance Account. There is hereby created and ordered established in the Construction Fund a Costs of Issuance Account, and the Trustee shall deposit proceeds from the issuance of the Bonds into such account in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof. Moneys held in the Costs of Issuance Account shall be disbursed to pay Costs of Issuance of the Bonds upon receipt by the Trustee of a written order signed by the Authorized City Representative, identifying generally the nature and amount of such Costs of Issuance. Any balance remaining in the Costs of Issuance Account in the Construction Fund twelve months after the date of delivery of the Bonds shall be transferred to the credit of the Construction Account in the Construction Fund, whereupon the Costs of Issuance Account shall be closed.

(b) Capitalized Interest Account. There is hereby created and ordered established in the Construction Fund a Capitalized Interest Account, and the Trustee shall deposit proceeds from the issuance of the Bonds into such account in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof. Moneys held in the Capitalized Interest Account are intended to be used for the purpose of paying interest, other than accrued interest, on the Bonds before the Completion Date and shall be disbursed, to the extent available, to pay interest, other than accrued interest, on the Bonds. At the time of the deposit of proceeds from the sale of the Bonds into the Capitalized Interest Account, the City shall deliver to the Trustee upon receipt from the Airline a written schedule of dates on which moneys in such account are required to be transferred by the Trustee for deposit in the Interest Account in the Bond Fund. On any Interest Payment Date for a Series of Bonds on which moneys are available in the Capitalized Interest Account to pay interest on such Bonds, the Trustee shall first deposit such available moneys, but only to the extent of the amount of interest then so payable, into the Interest Account of the Bond Fund before depositing any moneys from any other Fund available therefor for such purpose.

(c) Construction Account. There is hereby created and ordered established in the Construction Fund a Construction Account, and the Trustee shall deposit proceeds from the issuance of the Bonds into such account in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof. Before the Completion Date of the Project or any Additions, as the case may be, the Trustee shall also deposit moneys representing earnings on investments in the Debt Service Reserve Fund into the Construction Account pursuant to Section 501(c) hereof. Moneys held in the Construction Account shall be disbursed by the Trustee to pay any and all of the Cost of the Project as provided in this Article.

Section 303. Costs Of The Project Or Any Additions.

To the extent permitted by applicable law, for the purposes of this Indenture and Agreement, Costs of the Project or any Additions shall include any and all of the following:

(a) Payment to the Airline or the City of such amounts, if any, as shall be necessary to reimburse the Airline or the City in full for all advances and payments made by it at any time before or after the delivery of the Bonds for expenditures in connection with the preparation of the Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof) and the construction and installation of the Project or such Additions;

(b) Payment for labor, services, materials and supplies used or furnished in site improvement and in the construction and installation of the Project or such Additions (including progress payments), all as provided in the Plans and Specifications and work orders therefor, payment for the cost of the construction, acquisition and installation of utility services or other facilities, and all real and personal property deemed necessary in connection with the Project or such Additions and payment for the miscellaneous expenditures incidental to any of the foregoing items;

(c) Payment of the fees and expenses, if any, for architectural, engineering, legal, underwriting and supervisory services with respect to the Project or such Additions;

(d) To the extent not paid by a contractor for construction or installation with respect to any part of the Project or such Additions, payment of the premiums on all insurance required to be maintained during the Construction Period for the Project or such Additions;

(e) Payment of the taxes, assessments and other charges, if any, that may become payable during the Construction Period with respect to the Project or such Additions, or reimbursement thereof if paid by the Airline;

(f) Payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project or such Additions; and

(g) Payment of any other items of cost and expense, including Administrative Expenses, not specified elsewhere in this Section, incident to the design, construction and equipping of the Project or such Additions and the financing thereof.

Section 304. Disbursements From The Construction Account In The Construction Fund.

(a) The City hereby authorizes and directs the Trustee to disburse the moneys in the Construction Account of the Construction Fund (or in any applicable Series Sub-Account therein) to or at the direction of the Airline for items included in the Costs of the Project or such Additions other than Costs of Issuance. Each payment from the Construction Account shall be made upon receipt by the Trustee, with a copy furnished to the City, of a written order signed by the Authorized Airline Representative certifying:

(1) The requisition number;

(2) The name and address of each of the persons, firms or corporations to whom or to which payment is to be made from the Construction Account in the Construction Fund (or any applicable Series Sub-Account therein), which may include the Airline;

(3) The amount to be paid;

(4) That each obligation mentioned therein has been properly incurred and is a necessary and proper Cost of the Project or such Additions;

(5) That each of the items of Cost for which the payment is proposed to be made is due and has not been included in any prior written order which has been paid or, if previously included, has not been satisfied to the extent presently proposed to be paid;

(6) That after taking into account the costs proposed to be paid or reimbursed in said certificate at least 95% of all of the costs paid or reimbursed out of the Construction Fund are Qualified Costs of Construction; and

(7) That no Event of Default under the Agreement that has not been waived has occurred and is continuing.

Such written orders shall be accompanied by copies of such relevant statements, invoices, or other supporting data as the Trustee may reasonably request.

(b) Moneys in the Construction Account of the Construction Fund (or any applicable Series Sub-Account therein) may only be applied as set forth in subsection (a) above or in Section 305 hereof.

Section 305. Other Uses Of Construction Fund Moneys.

(a) The completion of the Project or any Additions and payment or provisions made for payment of the full Aggregate Cost of the Project or such Additions shall be evidenced by the filing with the Trustee of a certificate required by the provisions of Section 3.4 of the Agreement. Moneys remaining in the Construction Account or the Capitalized Interest Account of the Construction Fund (or any applicable Series Sub-Account in either thereof, including any earnings on investments that remain in such account or sub-account) at the time such certificate with respect to the Project or any Additions is delivered to the Trustee may be used, at the direction of the Authorized Airline Representative (which shall be given as soon as practicable after the Completion Date), for any one or more of the following purposes:

(1) for the payment when due of any Cost of the Project or such Additions, as the case may be, not then due and payable as specified in the above-mentioned certificate; or

(2) for transfer to the Principal Account in the Bond Fund (or the applicable Series Sub-Account therein) and application (i) to the redemption of Bonds of the applicable Series on the earliest practicable redemption date permitted; or (ii) for the payment of principal of the Bonds of any applicable Series; or

(3) for transfer to another Series Sub-Account in the Construction Account in the Construction Fund, for application to the Costs of other Additions; or

(4) for transfer (i) to the Interest Account in the Bond Fund or (ii) to the Capitalized Interest Account in the Construction Fund (or any applicable Series Sub-Account therein) and application to the payment of interest on Bonds of any applicable Series.

(b) Upon the occurrence and continuation of an event of default hereunder (which event of default is not waived in accordance with the provisions of this Indenture), subject to Section 805 hereof, or if the Airline should prepay all amounts payable under the Agreement pursuant to Section 7.1 or Section 7.2 of the Agreement, any balance then remaining in the Construction Fund shall without further authorization be deposited in the Bond Fund by the Trustee.

(c) Notwithstanding any other provision of this section to the contrary, before any such moneys may be used for any purpose specified in subsection (a)(2)(ii), (3) or (4) or (b) above, the Trustee shall be furnished with an opinion of Bond Counsel to the effect that such transfer will not cause, or use of moneys so transferred in accordance with this section will not cause the interest on any Bonds to become includible in gross income for federal income tax purposes.

Article IV.

Special Facility Revenues And Other Funds And Accounts.

Section 401. Sources Of Payment For Bonds.

The Bonds and all payments required of the City hereunder are not general obligations of the City but are limited obligations as described in Section 206 hereof. The Special Facility Revenues are pledged and assigned to the Trustee as security for the payment of the principal of and interest on the Bonds. The payments provided in Sections 4.2(a), (b), and (c) of the Agreement are to be remitted directly to the Trustee for the account of the City and deposited in the Special Facility Revenue Fund. In addition, the Airline in the Guaranty has guaranteed the payment of principal and interest and redemption premium, if any, on the Bonds as the same shall be due and payable hereunder and pursuant to the terms of the Bonds, and all payments under the Guaranty are to be remitted directly to the Trustee for the account of the City and deposited in the Special Facility Revenue Fund. Such payments under the Agreement and under the Guaranty, each sufficient in amount to insure the prompt payment of the principal of and interest and redemption premium, if any, on the Bonds, are pledged to the Trustee as security for such payments on the Bonds.

Section 402. Creation Of The Special Facility Revenue Fund.

(a) There is hereby created and ordered established with the Trustee a trust fund in the name of the City to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Revenue Fund (Compagnie Nationale Air France Project)" (the "Special Facility Revenue Fund"). The Trustee shall deposit into the Special Facility Revenue Fund all amounts of Special Facility Revenues, whether from the Airline pursuant to Article IV of the Agreement or from any other source.

(b) Moneys in the Special Facility Revenue Fund shall be held in trust by the Trustee on behalf of the Bondholders until the moneys in the Special Facility Revenue Fund are disbursed or used as contemplated in this Article. The Trustee shall keep and maintain adequate records pertaining to the Special Facility Revenue Fund and all accounts therein and disbursements therefrom.

Section 403. Payment Of Special Facility Revenues Over To Trustee.

Pursuant to the Agreement, the City has caused the Special Facility Revenues to be paid to the Trustee for deposit in the Special Facility Revenue Fund in accordance with the terms of this Indenture to effect payment of the principal of and interest on the Bonds as the same become due and to maintain the balance in the Series Account for each Series of Bonds in the Debt Service Reserve Fund at a level equal to or greater than the Debt Service Reserve Requirement for such Series of Bonds. The Trustee shall give the Airline and the City notice not less than five (5) Business Days in advance of any Interest Payment Date or any date on which a payment of principal is due under any Series of Bonds of such date and the amounts then due, but the failure of the Trustee to give such notice shall not waive or otherwise alter or delay any obligations of the City hereunder or of the Airline under the Agreement with respect to the payment of any such amounts. Nothing herein shall be construed as requiring the City to use any funds or revenues from any source other than Special Facility Revenues.

Section 404. Disbursements From The Special Facility Revenue Fund.

(a) The moneys in the Special Facility Revenue Fund shall be disbursed and applied by the Trustee as required to make deposits on the dates and in the amounts provided below:

(1) First, on each Interest Payment Date or other date upon which interest on any Series of Bonds is payable, a sum that, together with other moneys available therefor in the Capitalized Interest Account in the Construction Fund, and the Interest Account in the Bond Fund, will be sufficient to pay all interest on such Series due on such date shall be deposited in the Interest Account (and in any applicable sub-account therein) in the Bond Fund;

(2) Second, on each date on which principal of any Series of Bonds is payable, at Stated Maturity, by acceleration or otherwise, a sum that, together with other moneys available therefor in the Principal Account in the Bond Fund, will be sufficient to pay all principal of such Series due on such date shall be deposited in the Principal Account (and in any applicable sub-account therein) in the Bond Fund;

(3) Third, on each date on which Bonds of any Series are to be redeemed, a sum that, together with other moneys available therefor in the Redemption Account in the Bond Fund, will be sufficient to pay the redemption price (including any premium) of such Bonds to be redeemed

on such date shall be deposited in the Redemption Account (and in any applicable sub-account therein) in the Bond Fund;

(4) Fourth, at any time the balance in the Debt Service Reserve Fund or in any Series Account therein shall be less than the Debt Service Reserve Requirement then in effect for the applicable Series, any amount remaining available in the Special Facility Revenue Fund therefor, after the deposits required under the foregoing clauses (1), (2) and (3) have been made, shall be deposited in the Debt Service Reserve Fund or in such Series Account, but only to the extent necessary to restore the balance therein to the level of the Debt Service Reserve Requirement therefor; and

(5) Fifth, at any time the balance in the Rebate Fund shall be less than the amount of moneys then to be paid therefrom pursuant to the Tax Documents, a sum equal to the amount of such deficit shall be deposited in the Rebate Fund.

(b) If there are insufficient moneys in the Special Facility Revenue Fund to make any of the deposits required in subsection (a) above, such deposits shall be made in the priorities set forth therein as and to the extent moneys become available in the Special Facility Revenue Fund therefor.

(c) Except as provided in Sections 404(a)(5) and 903, moneys in the Special Facility Revenue Fund, together with certain other moneys deposited in the Bond Fund pursuant to Sections 305 and 409 hereof, shall be used solely for the payment of the principal of and interest and redemption premium, if any, on the Bonds or for deposit into the Debt Service Reserve Fund to be available for such purposes.

Section 405. Creation Of The Bond Fund.

(a) There is hereby created and ordered established with the Trustee a trust fund in the name of the City to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Fund (Compagnie Nationale Air France Project)" (the "Bond Fund"), which shall be used to pay the principal of and interest on the Bonds.

(b) Moneys in the Bond Fund shall be held in trust by the Trustee on behalf of the Bondholders until the moneys in the Bond Fund are disbursed or used as contemplated in this Article. The Trustee shall keep and maintain adequate records pertaining to the Bond Fund and all accounts and sub-accounts therein and disbursements therefrom.

Section 406. Payments Into The Bond Fund.

There shall be deposited into the Bond Fund from time to time the following:

(a) any amounts transferred from the Special Facility Revenue Fund pursuant to the provisions of Section 404 hereof;

(b) any amounts transferred from the Construction Fund pursuant to the provisions of Section 305 hereof;

(c) any amounts transferred from the Debt Service Reserve Fund pursuant to the provisions of Section 409 hereof; and

(d) all other moneys received by the Trustee under and pursuant to the provisions of this Indenture or any of the provisions of the Agreement, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

Section 407. Use Of Moneys In The Bond Fund.

The moneys on deposit in the Bond Fund and the accounts therein created shall be applied for the purposes and uses specified below:

(a) Interest Account. There is hereby created and ordered established in the Bond Fund an Interest Account, and the Trustee shall deposit proceeds from the issuance of the Bonds into such account in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof. Moneys held in the Interest Account shall be disbursed by the Trustee on each Interest Payment Date or other date upon which interest on the Bonds is payable in the amount of interest then payable on all or a portion of the Bonds.

(b) Principal Account. There is hereby created and ordered established in the Bond Fund a Principal Account. Moneys held in the Principal Account shall be disbursed by the Trustee on each date on which principal of the Bonds is payable, at Stated Maturity, by acceleration or otherwise, in the amount of the principal then payable.

(c) Redemption Account. There is hereby created and ordered established in the Bond Fund a Redemption Account. Moneys held in the Redemption Account shall be disbursed by the Trustee on each date on which Bonds of any Series are to be redeemed in the amount of the aggregate redemption price (including any premium) of Bonds then to be redeemed.

Section 408. Creation Of The Debt Service Reserve Fund.

(a) There is hereby created and ordered established with the Trustee a trust fund to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Debt Service Reserve Fund (Compagnie Nationale Air France Project)" (the "Debt Service Reserve Fund"), for the purpose of paying principal of and/or interest on the Bonds when Special Facility Revenues are insufficient therefor. The Trustee shall deposit the initial amount of the Debt Service Reserve Requirement for each Series of Bonds, if any, into the Debt Service Reserve Fund (or the applicable Series Account therein) from the proceeds of the sale of such Series in the amount set forth in the request and authorization of the City pursuant to Section 211(c)(3) hereof.

(b) Moneys in the Debt Service Reserve Fund shall be held in trust by the Trustee on behalf of the Bondholders until the moneys in the Bond Fund are disbursed or used as contemplated in this Article. The Trustee shall keep and maintain adequate records pertaining to the Bond Fund and all accounts therein and disbursements therefrom.

Section 409. Use And Maintenance Of Moneys In The Debt Service Reserve Fund.

(a) Moneys held with respect to any Series of Bonds in the Debt Service Reserve Fund (or the applicable Series Account therein) shall be deposited by the Trustee on any Interest Payment Date or any other date on which interest on or principal of Bonds of such Series is payable in the Interest Account or the Principal Account in the Bond Fund (or the applicable Series Sub-Account therein), in that order, to the extent available, in an amount necessary, in each case, to provide moneys in such account (or Series Sub-Account) in the Bond Fund, together with moneys already deposited therein, sufficient to pay interest on or the principal of the Bonds of such Series payable on such date.

(b) The Trustee shall promptly notify the City and the Airline of any deposit made from the Debt Service Reserve Fund into the Bond Fund pursuant to subsection (a) of this Section 409 and whether such deposit shall have reduced the balance in the Debt Service Reserve Fund or in any Series Account to a level less than the Debt Service Reserve Requirement then in effect for the applicable Series of Bonds.

(c) The City shall maintain the balance in the Debt Service Reserve Fund or in each Series Account therein at a level equal to or greater than the Debt Service Reserve Requirement from time to time in effect for each applicable Series of Bonds, but such obligation is limited to, and dischargeable solely from, moneys from time to time available in the Special Facility Revenue Fund for deposit into the Debt Service Reserve Fund pursuant to Section 404(a)(4) hereof.

(d) Before the Completion Date of the Project or any Additions, as the case may be, any moneys held on an Interest Payment Date with respect to any Series for the credit of the Debt Service Reserve Fund or the applicable Series Account therein (after giving effect to all payments of interest on or principal of Bonds of such Series on such date) in excess of the Debt Service Reserve Requirement then in effect for such Series (including any excess derived from investment earnings) shall be deposited by the Trustee in the Construction Account in the Construction Fund (or the applicable Series Sub-Account therein). After the Completion Date of the Project or any Additions, as the case may be, any such excess moneys on such an Interest Payment Date shall be deposited by the Trustee in the Interest Account in the Bond Fund or the applicable Series Sub-Account therein.

(e) For purposes of subsections (b), (c) and (d) of this Section 409, the Trustee may, but need not, redetermine the value of obligations or other investments in the Debt Service Reserve Fund or any applicable Series Account therein on each Interest Payment Date for any Series of Bonds, and shall do so at least once each year, on the Interest Payment Date for such Series which is on or immediately before the anniversary date of the latest Stated Maturity of any Bonds of such Series. Such valuation shall be computed pursuant to the provisions of Section 502 hereof.

(f) In lieu of maintaining and depositing moneys in the Debt Service Reserve Fund or in any Series Account therein as required pursuant to subsection (c) of this Section 409, the Airline on behalf of the City may deposit with the Trustee an irrevocable letter of credit or an irrevocable surety bond policy issued by a bank or bond insurance company, as applicable, with a credit rating in one of the three highest rating categories of S. & P., or Moody's, subject to the prior written approval of the Trustee as to the provider and terms of such letter of credit or surety bond policy, which approval shall not be unreasonably withheld,and provided that the terms or provider of such letter of credit or surety bond policy shall not adversely affect any rating of the Bonds. Any such letter of credit or surety bond policy shall (1) permit the Trustee to draw amounts thereunder for deposit in the Debt Service Reserve Fund or such Series Account therein which, together with any moneys on deposit in, or available under any letter of credit or surety bond policy to fund, the Debt Service Reserve Fund or such Series Account therein, are not less than the Debt Service Reserve Fund or such Series Account therein, are not less than the Debt Service Reserve Requirement for such Series and which may be applied for any purpose for which moneys in the Debt Service Reserve Fund or such Series Account therein may be applied, (2) have a term of at least five years, (3) be replaced by a substitute irrevocable letter of credit or irrevocable surety bond policy meeting the requirements set forth in this section or otherwise permitting a draw thereupon to fund the Debt Service Reserve Fund or such Series Account therein in an amount equal to the Debt Service Reserve Requirement for such Series before the termination of such substituted letter of credit or surety bond policy, and (4) be replaced by a substitute irrevocable letter of credit or surety bond policy meeting the requirements set forth in this section within twelve (12) months after the date on which the credit rating of the issuer of such letter of credit or surety bond policy is no longer in one of the three highest rating categories of S. & P. or Moody's. The Trustee shall draw on such letter of credit or surety bond policy (i) whenever moneys are required for the purposes for which moneys in the Debt Service Reserve Fund or such Series Account therein may be applied, and (ii) before any expiration or termination thereof; provided that no such draw need be made if (x) other moneys and/or a letter of credit or surety bond policy meeting the requirements set forth in this Section are available in the Debt Service Reserve Fund or such Series Account therein in the amount of the Debt Service Reserve Requirement for such Series, or (y) moneys are no longer required to be held on deposit in the Debt Service Reserve Fund or such Series Account therein.

(g) If the Airline elects to deposit a letter of credit or a surety bond policy in the Debt Service Reserve Fund or any Series Account therein in lieu of the moneys on deposit therein, the Trustee shall transfer such moneys in excess of the Debt Service Reserve Requirement for the applicable Series in the manner set forth in subsection (d) of this Section 409, or as otherwise instructed by an Authorized Airline Representative upon delivery to the Trustee of an opinion of Bond Counsel to the effect that such transfer will not adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

Section 410. Moneys Held In Trust Upon Non-Presentment Of Bonds.

If any Bond (or portion thereof) shall not be presented for payment when the principal thereof becomes due, whether at Stated Maturity, upon redemption, by acceleration or otherwise, and if moneys sufficient to pay in full the principal of and interest and redemption premium, if any, accrued on such Bond shall have been deposited in the Bond Fund, such Bond (or portion thereof) shall, on the date such principal and redemption premium, if any, is due or, if later, such moneys shall have been so deposited, cease to bear interest and shall no longer be deemed outstanding or secured by the lien of this Indenture, all liability of the City to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Owner of such

Bond who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. Such moneys shall be held in a separate and segregated fund and shall not be invested. Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within two (2) years after the date on which the same shall have become due shall be paid by the Trustee to the Airline upon the written direction of an Authorized Airline Representative and thereafter Bondholders shall be entitled to look only to the Airline (and not to the City or the Trustee) for payment, and then only to the extent of the amount so repaid to the Airline, and the Airline shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys and the Trustee shall have no further responsibilities with respect to such moneys. Before being required to make any such payment to the Airline, the Trustee may, at the expense of the Airline, publish such notice as may be deemed appropriate by the Trustee listing the Bonds so payable and not presented, and stating that such moneys remain unclaimed and that after a date set forth therein any balance thereof then remaining will be paid to the Airline. The obligation of the Trustee under this section to pay any such funds to the Airline shall be subject, however, to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 411. No Lien Of Trustee For Fees, Charges And Expenses.

The Trustee agrees that the City shall have no liability for any fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Airline for the payment of all fees, charges and expenses of the Trustee as provided in the Agreement and in this Indenture. Except as provided in Section 903 hereof, the Trustee shall have no lien on or security interest in the Trust Estate securing the payment of any of the foregoing.

Section 412. Moneys To Be Held In Trust.

All moneys required to be deposited with or paid to the Trustee for deposit to any Fund or account therein, other than the Rebate Fund, under any provision hereof, including without limitation Special Facility Revenues and investments thereof, all moneys held by the Trustee in any of the foregoing Funds and all moneys withdrawn from any of the foregoing Funds and held by the Trustee shall be held by the Trustee in trust, and such moneys shall, while so held, constitute part of the Trust Estate and be subject to the lien hereof for the benefit of the Bondholders.

Section 413. Repayment To The Airline.

Any amounts remaining in the Special Facility Revenue Fund, the Bond Fund and the Debt Service Reserve Fund after payment in full of the principal of and interest on the Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges and expenses of the City, the Trustee and Bond Registrar, and all other amounts required to be paid under the Agreement and this Indenture shall be paid to the Airline as provided in the Agreement.

Section 414. Creation Of Additional Accounts And Sub-Accounts.

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 sub-accounts 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 or Sub-Accounts. At any time that more than one Series of Bonds shall be Outstanding, the Trustee shall, without further request or authorization, establish Series Accounts or Series Sub-Accounts, as the case may be, for each such Series in the Construction Account, Capitalized Interest Account and Costs of Issuance Account in the Construction Fund, in the Principal Account and Interest Account (and at the time of any redemption, in the Redemption Account) in the Bond Fund, and in the Debt Service Reserve Fund for the foregoing purposes, and may eliminate any such Series Accounts or Series Sub-Accounts at any time only a single Series of Bonds remains Outstanding. The establishment or elimination of any such additional Series Accounts, Series Sub-Accounts or other accounts or sub-accounts 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 or sub-account therein established hereunder.

Section 415. Rebate Fund; Exclusion From Trust Estate.

There is hereby created and ordered established with the Trustee a trust fund to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Rebate Fund (Compagnie Nationale Air France Project)" (the "Rebate Fund"). The foregoing provisions of Articles III and IV notwithstanding, (i) the Rebate Fund shall not be considered a part of the Trust Estate, and (ii) the Trustee shall be permitted to transfer moneys on deposit in any of the Funds or accounts therein established under Article III or this Article IV to the Rebate Fund and administer such moneys in accordance with the provisions of the Tax Documents.

Article V.

Investment Of Moneys.

Section 501. Investment Of Moneys In Funds Other Than The Rebate Fund.

(a) Any moneys held as part of the Construction Fund, the Special Facility Revenue Fund, the Bond Fund or the Debt Service Reserve Fund shall be invested and reinvested by the Trustee, subject to the direction of the Airline in accordance with the provisions of Section 3.6 of the Agreement. In making any such investments, the Trustee may rely on directions delivered to it pursuant to Section 3.6 of the Agreement by an Authorized Airline Representative or, in the case of oral directions, by a person representing himself to be an Authorized Airline Representative, and the Trustee shall be relieved of all liability with respect to making such investments in accordance with such directions.

(b) Any Investment Securities may be purchased at the offering or market price thereof at the time of such purchase. All such investments shall mature in such amounts and at such times, or shall be readily marketable before their maturities, as the Airline may direct. The Trustee may, if so directed by the Authorized Airline Representative, make any and all such investments through its own bond department. The Trustee shall sell and reduce to cash a sufficient amount of such investments of any Fund or account therein whenever the cash balance in such Fund or account therein is insufficient to pay amounts then due therefrom.

(c) Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund and account therein for which they were made. The interest accruing thereon, any profit realized from such investments and any loss resulting from such investments shall be credited or charged to the Fund and account therein in which such investment is held.

(d) In addition, the Trustee shall, at the written request of the Authorized Airline Representative, sell at any time to the Airline for cash, at a price equal to the original cost thereon plus accrued interest thereon, plus any accrued discount (on a straight line basis or minus any amortized premium on the same basis), such investments on deposit in the Construction Fund as shall be specified by the Airline. The proceeds of any sale to the Airline pursuant to the preceding sentence of investments on deposit in the Construction Fund shall be deposited into the Construction Fund.

Section 502. Valuation Of Investments.

(a) In computing the amount in any Fund or account or sub-account therein, obligations maturing within the three-year period next succeeding the date of computation shall be valued at amortized value and obligations maturing more than three years following the date of computation shall be valued at the lower of amortized value or market value. For purposes of the foregoing, an obligation shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation.

(b) For purposes of this section, amortized value means par, if the obligation was purchased at par, or, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated for each interest payment date after such purchase from the purchase price in the case of an obligation purchased at a premium or adding the amount thus calculated for each interest payment date after such purchase to the purchase price in the case of an obligation purchased at a discount.

Section 503. Tax Covenants.

(a) The City covenants with all purchasers and the Owners of the Bonds from time to time outstanding that, so long as any of the Bonds remain outstanding:

(1) To the extent, pursuant to the Agreement or this Indenture, the City (and not the Airline) will direct use of or investment of Bond proceeds, it will not cause or direct moneys on deposit in any Fund or account therein, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, to be used in a manner that will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, any lawful regulations promulgated thereunder including Sections 1.103-13, 1.103-14, 1.103-15, 1.103-15AT, 1.148-OT through 1.148-9T, 1.149(d)-1T, and 1.150-OT through 1.150-1T of the Income Tax Regulations (26 C.F.R. Part 1), and Section 1.103-15AT of the Temporary Income Tax Regulations, as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised. Pursuant to such covenant, the City obligates itself to comply, as long as any Bonds remain outstanding, with the requirements of Section 148 of the Code and any regulation promulgated thereunder. The City reserves the right (subject to the provisions of Section 3.6 of the Agreement and Section 501 hereof), however, for any investment of such moneys in any of the Funds under

this Indenture, other than the Rebate Fund, permitted by state law to be made, if, when and to the extent that said Section 148 or regulations promulgated thereunder or any similar or successor provisions thereto shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only if any investments made by virtue of such repeal, relaxation or decision would not, in the written opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

(2) It will not knowingly take any action or omit to take any action requested of it by the Trustee, the Airline or Bond Counsel which is lawful and within its power to take, and which, if taken or omitted, would cause interest on the Bonds to become includible in the gross income of the holders of the Bonds for federal income tax purposes, other than a holder who is a "substantial user" or "related person" within the meaning of such terms as defined in the Code.

(b) In furtherance of the covenants in subsection (a), the City agrees to execute any Tax Documents or amendments or supplements to the Agreement with respect to any Series of Bonds containing such representations and covenants as are deemed necessary or advisable in the opinion of Bond Counsel to insure that the City complies with the provisions of this section.

Section 504. Limitation On Trustee's Responsibilities Respecting Arbitrage.

Notwithstanding any provision of this Indenture to the contrary, the Trustee shall not be liable or responsible for any calculations or determination that may be required in connection with or for the purpose of complying with Section 148 of the Code and any applicable Treasury regulations or any similar or successor provisions thereto, including, without limitation, the calculation of amounts required to be paid to the United States of America under such provisions of the Code and the applicable Treasury regulations, the maximum amount that may be invested in "non-purpose obligations" as defined in the Code and the fair market value of any investments made hereunder; and the sole obligation of the Trustee with respect to investments of funds hereunder shall be to invest the moneys received by the Trustee in Investment Securities pursuant to the instructions of the Authorized Airline Representative. The Trustee shall have no responsibility for determining whether or not the investments made pursuant to the directions of the Authorized Airline Representative comply with the requirements of the Tax Documents.

Article VI.

Redemption Of Bonds Before Maturity: Purchase In Lieu Of Redemption.

Section 601. Redemption Dates And Prices.

The Bonds shall be subject to redemption, before maturity in the amounts, at the times and in the manner provided in this Article VI. All payments of the redemption price (including any premium) of the Bonds shall be made on the dates hereinafter required in federal or other immediately available funds.

(a) Optional Redemption. Any Series of Bonds may be redeemed by the City, at the option of the Airline, only as permitted in this Indenture, at such times, in whole or in part, at the redemption price or prices (including any premium) set forth in this Indenture with respect to such Series, plus accrued interest to the date fixed for redemption. The Airline shall deliver to the Trustee not less than thirty (30) days before the date fixed for each such redemption a written direction by an Authorized Airline Representative stating that the Airline intends to exercise its option to prepay the payments due under the Agreement in whole or in part pursuant to Section 7.1 of the Agreement and thereby effect redemption of such Bonds.

(b) Mandatory Redemption upon Determination of Taxability. The Bonds shall be subject to mandatory redemption in whole, or as hereinafter provided in part, on any date before their maturity at a redemption price equal to 100% of the principal amount thereof, without premium but with accrued interest thereon to the redemption date, which redemption date shall be not more than ninety (90) days following the receipt by the Airline of written notice from a Bondholder or former Bondholder or from the Trustee of a final determination of the Internal Revenue Service or a court of competent jurisdiction to the effect that the interest paid or payable on any Bond to other than a "substantial user" of the Project or a "related person" (within the meaning of Section 147(a) of the Code) is or was includable in the gross income of the owner thereof for federal income tax purposes under the Code; provided that no such determination shall be considered final unless (a) the Bondholder or former Bondholder involved in such proceeding or action (i) gives the Airline and the Trustee prompt notice of the commencement thereof, and (ii) (if the Airline agrees to pay all expenses in connection therewith and to indemnify such Bondholder or former Bondholder against all liabilities in connection therewith), offers the Airline the opportunity to control unconditionally the defense thereof, and (b) either (i) the Airline does not agree within thirty (30) days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (ii) the Airline shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action that the Airline determines to be appropriate. The Bonds shall be redeemed pursuant to the first sentence of this subsection (b) in whole unless, in the opinion of Bond Counsel, the redemption of one or more Series or other portion of the outstanding Bonds would have the result that interest payable on such Bonds remaining outstanding after such redemption would not be includable in the gross income for federal income tax purposes of other than a "substantial user" of the Project or a "related person" (within the meaning of Section 147(a) of the Code). Selection of Bonds (other than an entire Series) for such partial redemption, shall be in such manner as the Trustee shall determine in accordance with Section 605 hereof or in such other manner acceptable to the Trustee as shall be specified in a written opinion of Bond Counsel, and in such amount as Bond Counsel shall have determined is necessary to accomplish such result. After the receipt by the Trustee of notice from the Airline pursuant to Section 7.3(a) of the Agreement, the Trustee shall give notice of such redemption as provided in Section 602 hereof. Upon the giving of such notice, the Bonds called for redemption shall become due and payable on such redemption date at the redemption price, together with the accrued interest to the redemption date, and such Bonds shall be redeemed and cancelled by the Trustee on such redemption date.

(c) Mandatory Redemption upon Condemnation of Leased Premises. The Bonds shall be subject to mandatory redemption in part or in whole, as the case may be, on any date before their maturity at a redemption price equal to 100% of the principal amount thereof, without premium, but with accrued interest thereon to the redemption date, which redemption date shall be not more than ninety (90) days following the receipt by the Airline, pursuant to Section 5.9(b) of the Agreement, of its allocable portion of the Net Proceeds of any condemnation award received on account of any condemnation or taking of all or part of the Leased Premises. The Bonds shall be redeemed pursuant to the first sentence of this subsection (c) in part in an aggregate principal amount equal to the highest aggregate of Authorized Denominations not exceeding the amount of such Net Proceeds received by the Airline or, if such Net Proceeds are sufficient therefor, in whole. Selection of Bonds (other than an entire Series) for such partial redemption shall be in such manner as the Trustee shall determine in accordance with Section 605 hereof. After the receipt by the Trustee of notice from the Airline pursuant to Section 7.3(a) of the Agreement, the Trustee shall give notice of such redemption as provided in Section 602 hereof. Upon the giving of such notice, the Bonds called for redemption shall become due and payable on such redemption date at the redemption price, together with the accrued interest to the redemption date, and such Bonds shall be redeemed and cancelled by the Trustee on such redemption date.

Section 602. Notice Of Redemption.

Notice of the call for any redemption of Bonds or any portion thereof (which shall be in Authorized Denominations) pursuant to Section 601 hereof identifying the Bonds or portions thereof to be redeemed, specifying the redemption date, the redemption price (including any premium), the places and dates of payment, the portion of the Bond to be redeemed if less than the full principal amount thereof will be redeemed, and that from the redemption date interest will cease to accrue, shall be given by the Trustee by mailing a copy of such redemption notice by registered or certified mail not less than thirty (30) days nor more than sixty (60) days before the date fixed for redemption to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice.

Section 603. Deposit Of Funds For Redemption Price And Effect Thereof.

For the redemption of any of the Bonds, the City shall cause to be deposited in the Bond Fund, out of Special Facility Revenues, moneys sufficient to pay the redemption price (including any premium) of and interest accrued on the Bonds (or portions thereof) to be redeemed on the date set for the redemption of such Bonds (or portions thereof). Any such deposit of the redemption price of any Bonds (or portions thereof) to be redeemed shall be deemed payment by the City of the aggregate principal amount of and redemption premium, if any, on the Bonds (or portions thereof) to be so redeemed.

Section 604. Partial Redemption Of Bonds.

(a) If a Bond is of a denomination larger than the minimum Authorized Denomination, all or a portion of such Bond may be redeemed, but such Bond shall be redeemed only in a principal amount equal to an Authorized Denomination.

(b) Upon surrender of any Bond for redemption in part only, the City shall execute and the Trustee shall authenticate and deliver to the Owner 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.

Section 605. Selection Of Bonds For Redemption.

(a) If less than all the Bonds are called for redemption, the Trustee shall select the Bonds or portions thereof to be redeemed, from the Bonds outstanding not previously called for redemption, in such manner as in the Trustee's sole discretion it shall deem appropriate and fair, whether by lot or otherwise. The Trustee shall promptly notify the City and the Airline in writing of the Bonds or portions thereof selected for redemption.

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

Article VII.

Payment; Further Assurances.

Section 701. Payment Of Principal Of And Interest And Redemption Premium On Bonds.

The City shall promptly pay or cause to be paid the principal of and the interest and redemption premium, if any, on every Bond issued hereunder according to the terms thereof, but shall be required to take such payment or cause such payment to be made only out of Special Facility Revenues. The City hereby appoints the Trustee to act as a paying agent, and designates the principal corporate trust office of the Trustee at the address for notices set forth in Section 1304 hereof as a place of payment for the Bonds, such appointment and designation to remain in effect until notice of change is filed with the Trustee.

Section 702. Performance Of Covenants; Further Assurances.

(a) The City covenants that it will faithfully perform at all times all of its covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds executed and delivered hereunder and in all proceedings pertaining hereto. The City represents that it is duly authorized under the Constitution of the State and laws thereof to issue the Bonds and to execute this Indenture and to assign the amounts and rights hereby assigned; that such amounts and rights will not be assigned in any manner other than as contemplated by this Indenture; that all action required on its part for the issuance of the Bonds and the execution and delivery of the Agreement and this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City according to the import thereof.

(b) The City shall fully cooperate with the Trustee and with the Owners of the Bonds to the end of fully protecting the rights and security of the Owners of any Bonds.

(c) The City represents that it now has, and covenants that it shall, to the extent permitted by law, maintain complete and lawful authority and privilege to enter into, and perform its obligations under, this Indenture and the Agreement.

(d) Except to the extent otherwise provided in this Indenture or as otherwise required by law, the City shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders hereunder may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be reasonably required to carry out the purposes of this Indenture.

Section 703. Financing Statements.

The City agrees that it shall (1) cause the Agreement, this Indenture, and any additional security instrument filed with the Trustee as additional security for the Bonds, each amendment and supplement to any such instrument, and a memorandum, financing statement, or continuation statement with respect to such instruments, amendments, or supplements to be filed, registered and recorded and to be refiled, reregistered and rerecorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to protect and perfect the lien of this Indenture and to publish notice of and to protect and perfect the security of the Owners of the Bonds and the rights of the Trustee under the Agreement and this Indenture, and (2) perform or cause to be performed from time to time any other act as required by law, and execute and file or cause to be executed and filed any and all instruments of further assurance including financing statements with respect to any of such instruments that may be necessary for such publication and protection. The Airline, the City and the Trustee shall, when so requested by one another, execute all such instruments, memoranda, or statements necessary to maintain, protect, perfect or preserve the interests assigned to the Trustee under this Indenture.

Article VIII.

Default Provisions And Remedies Of Trustee And Bondholders.

Section 801. Defaults; Events Of Default.

The occurrence of any one or more of the events described in the following sections (a) through (d) of this Section 801 is hereby defined as and declared to be and to constitute a "default"; and each such default, after the giving of notice, if any, the passage of time, if any, or the occurrence of such other event, if any, specified in the subsection describing such default, is hereby defined as and declared to be and to constitute an "event of default":

(a) Failure to make payment of any installment of interest upon any Bond when the same shall have become due and payable;

(b) Failure to make due and punctual payment of the principal of any Bond when the same shall have become due and payable, whether at the Stated Maturity thereof, upon redemption or upon the maturity thereof by declaration;

(c) The occurrence of an "event of default" under Section 6.1(b) or (c) of the Agreement, other than an "event of default" relating to Unassigned Rights; or

(d) The occurrence of an "event of default " referred to in Section 6.1(d) of the Agreement.

Section 802. Acceleration.

(a) Upon occurrence and continuation of any event of default described in clauses (a), (b) or (c) of Section 801 the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then outstanding the Trustee shall, by notice in writing delivered to the Airline with copies of such notice being sent to the City, and upon the occurrence and continuation of any event of default described in clause (d) of Section 801 above without notice to the Airline, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable and shall be paid on such date of declaration, and such principal and interest shall thereupon become and be immediately due and payable and shall be paid on such date of declaration, and interest thereon shall cease to accrue if payment is made on the date of such declaration.

(b) Upon any such declaration, the Trustee shall (1) declare all amounts payable under Section 4.2 of the Agreement to be immediately due and payable in accordance with Section 6.2 of the Agreement, and (2) immediately give notice of acceleration to the Bondholders in accordance with Section 904 hereof.

(c) The above provisions of this Section are subject to the condition that if, after the principal of all Bonds then outstanding shall have been so declared to be due and payable, all arrears of interest upon such Bonds, and interest on overdue installments of interest (to the extent permitted by law) at the rate borne by the Bonds, and the principal of all Bonds then outstanding that shall have become due and payable otherwise than by acceleration, and all other sums payable under this Indenture, except the principal of and interest on the Bonds that by such declaration shall have become due and payable, shall have been paid by or on behalf of the City, together with the reasonable expenses of the Trustee and of the Owners of such Bonds, including reasonable attorneys' fees paid or incurred, and any and all other defaults then existing hereunder shall have been cured or waived in accordance with the provisions hereof, then and in every such case, but only if the Owners of not less than 25% in aggregate principal amount of the Bonds then outstanding shall have made the written request specified in paragraph (a) of this Section, the express prior consent of the Owners of a majority in aggregate principal amount of Bonds then outstanding, the Trustee may annul such declaration of maturity and its consequences, which annulment shall be binding upon all Bondholders; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. In the case of any such annulment, the Airline, the City, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture.

Section 803. Remedies; Rights Of Bondholders.

(a) Upon the occurrence and continuation of an event of default the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then outstanding, and to enforce and compel the performance of the duties and obligations of the City as herein set forth. In addition, except as otherwise provided in the Agreement, the Trustee may, with notice to the City, exercise any and all remedies afforded the City under Article VI of the Agreement, except as limited in said Article VI, in its name or the name of the City without the necessity of joining the City.

(b) If an event of default shall have occurred and be continuing and if requested so to do by the Owners of not less than 25% in aggregate principal amount of Bonds then outstanding and indemnified as provided in Section 901 hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Section 803 and Section 802 hereof as the Trustee being advised by Counsel shall deem most expedient in the interests of the Bondholders.

(c) 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 now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any event of default shall impair any such right, power or remedy or shall be construed to be a waiver of any such event of default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any event of default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

Section 804. Right Of Bondholders To Direct Proceedings.

Anything in this Indenture to the contrary notwithstanding, the Owners of not less than a majority in aggregate principal amount of Bonds then outstanding 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; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 805. Application Of Moneys.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and expenses, liabilities and advances incurred or made by, the Trustee and its Counsel, be deposited in the Bond Fund and all such moneys in the Bond Fund shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of any kind, ratably, according to the amounts due and payable on such Bonds for principal and interest, respectively, to the persons entitled thereto without any discrimination or privilege.

(b) Except upon acceleration, (1) whenever moneys are to be applied pursuant to the provisions of this section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine; (2) whenever the Trustee shall apply such moneys, 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; and (3) 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. In the event of an acceleration pursuant to Section 802 hereof, interest on the Bonds shall cease to accrue as provided in Section 802(a) or Section 802(b), as the case may be.

(c) Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section 805 and all expenses, fees and charges of the Trustee have been paid, any balance remaining in the Bond Fund shall be paid the Airline as provided in Section 413 hereof.

Section 806. Remedies Vested In Trustee.

All rights of action (including the right to file proofs of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds 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 plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of the Outstanding Bonds.

Section 807. Rights And Remedies Of Bondholders.

No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified or is deemed to have, or required to take, notice pursuant to subsection (g) of Section 901 hereof, (b) such default shall have become an event of default and be continuing, (c) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee either to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and shall have offered and, if requested, provided to the Trustee indemnity as provided in Section 901, and (d) the Trustee shall for sixty (60) days after such notice, request and offer and provision of indemnity fail or refuse to exercise the powers herein granted, or to institute such action, suit or proceeding in its own name; and such notification, request, offer and provision of indemnity and sixty-day period are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution by the Trustee, at the direction of the Bondholders, pursuant to the provisions of this Section 807 of the powers and trusts of this Indenture (except that indemnification for the declaration of acceleration under Section 802(b) hereof shall not be so conditioned), and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder. No one or more Owners of the Bonds shall have any right in any manner whatsoever to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Bonds. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on his Bond at and after the maturity hereof.

Section 808. Termination Of Proceedings.

If 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, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 809. Waivers Of Events Of Default.

The Trustee may in its discretion waive any event of default hereunder and rescind its consequences and shall do so upon the written request of the Owners of not less than a majority in aggregate principal amount of all Bonds then outstanding; provided that there shall not be waived (a) any event of default in the payment of the principal of any outstanding Bonds when due (whether at maturity or by redemption), or (b) any event of default in the payment when due of the interest on any such Bonds, unless before such waiver and rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest and all arrears of principal when due, as the case may be, together with the reasonable expenses of the Trustee and of the Owners of such Bonds, including reasonable attorneys' fees paid or incurred, shall have been paid or provided for. In the case of any such waiver and rescission, or if any proceeding taken by the Trustee on account of any such default shall have been discounted or abandoned or determined adversely, then and in every such case the City, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this

Indenture shall be in writing and copy thereof shall be delivered to the City and to the Airline.

Section 810. Opportunity Of The City And The Airline To Cure Defaults.

(a) As long as the Airline is not in default under the Agreement, after a reasonable request by the Airline, whenever the City shall fail, refuse or neglect to give any direction to the Trustee to require the Trustee to take any other action that the City required to have the Trustee take pursuant to the provisions of the Agreement or this Indenture, the Airline instead of the City may give any such direction to the Trustee or require the Trustee or take any such action. Upon receipt by the Trustee of a written notice signed by an Authorized Airline Representative stating that the Airline has made reasonable request of the City, and that the City has failed, refused or neglected to give any direction to the Trustee or to require the Trustee to take any such action, the Trustee is hereby irrevocably empowered and directed to accept such direction from the Airline as sufficient for all purposes of this Indenture. The Airline shall have the direct right to cause the Trustee to comply with any of the Trustee's obligations under this Indenture to the same extent that the City is empowered so to do.

(b) Certain actions or failures to act by the City under this Indenture may create or result in an event of default under this Indenture and the City hereby grants the Airline full authority, to the extent permitted by law, for the account of the City to perform or observe any covenant or obligation of the City alleged in a written notice to the City and the Airline from the Trustee not to have been performed or observed, in the name and stead of the City with full power to do any and all things and acts to remedy any default.

Article IX.

The Trustee.

Section 901. Acceptance Of The Trusts.

The Trustees hereby jointly and severally accept the trusts imposed upon them by this Indenture, and each of them represents and covenants that it is fully empowered under the applicable laws and regulations of the United States of America and the State to accept said trusts, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee may execute any of the trusts or powers hereof and perform all of its duties by or through attorneys, agents or employees and shall not be responsible for the acts of the attorneys or agents appointed by it in good faith (including, without being limited to, any co-bond registrar, and any co-trustee), and shall be entitled to advice of Counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys and agents as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of Counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for any recital herein or in the Bonds, or the validity, priority, recording, or re-recording, filing, or refiling of this Indenture, the Agreement or any financing statement, amendments to this Indenture or the Agreement, or continuation statements, or for the validity of the execution by the City of this Indenture, the Agreement or of any supplements hereto or thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article V hereof, including, without limitation, any loss suffered in connection with the sale of any investment pursuant to Article V hereof.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of Bonds with the same rights which it would have if it were not Trustee.

(d) The Trustee shall be protected in acting in good faith upon any notice, request, resolution, consent, certificate, affidavit, letter, telegram or other paper or document, or oral communication or direction, believed to be genuine and correct and to have been signed or sent or given by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or 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 and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

(e) As to the existence or non-existence 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 its Executive Officer as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee is deemed to have or required to take notice or has been notified as provided in subsection (g) of this section, or subsequent to the waiver, rescission or annulment of a default as provided in Article VIII hereof, 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 signed on behalf of the City by its Executive Officer or Recording Officer to the effect that a resolution or ordinance in the form therein set forth has been adopted by the City as conclusive evidence that such resolution or ordinance 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 liable in the performance of its obligations hereunder except for its gross negligence or willful misconduct.

(g) Except for the failure to receive payments required by Section 4.2 of the Agreement, the Trustee shall not be required to take notice or be deemed to have notice of a default under Section 801(c) or Section 801(d) hereof unless an officer in the Corporate Trust Department of the Trustee shall be specifically notified in writing of such default by the Airline, the City, or the Owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then outstanding.

(h) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder.

(i) The Trustee may require that a satisfactory indemnity bond be furnished by the Owners of the Bonds for the reimbursement of all expenses so that it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct in connection with any action so taken.

(j) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received and shall not be commingled with the general funds of the Trustee but need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(k) The Trustee, before the occurrence of an event of default specified in Section 801 of this Indenture and after the during of all events of default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and, in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture. If an event of default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances.

(l) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that:

(i) This subsection shall not be construed to limit the effect of subsection (k) of this section;

(ii) The Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds outstanding relating to the time, method and place of conducting any proceeding or any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(m) 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 desirable for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any cash, or as a condition to the taking of any other action by the Trustee.

Every provision of this Indenture that in any way relates to the Trustee is subject to all the foregoing paragraphs of this section.

Section 902. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder, which shall be a banking corporation or national banking association organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers and having a corporate trust office in Chicago, Illinois, authorized to accept and exercise the trusts herein provided, having a combined capital and surplus of at least $100,000,000 (and if there are two Trustees, the other Trustee shall have a combined capital and surplus of at least $5,000,000 and meet all of the other requirements of this Section 902), and subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 902, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time either Trustee shall cease to be eligible in accordance with the provisions of this section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article, and shall immediately provide notice of such resignation by registered or certified mail to the City, the Airline, and the Owner of each Bond.

Section 903. Fees, Charges And Expenses Of Trustee.

The Trustee shall be entitled to payment and/or reimbursement from the Airline for reasonable fees for its Ordinary Services, including reimbursement for fees and expenses of any co-trustee or co-Bond registrar, rendered hereunder and all advances, Counsel fees and disbursements and other Ordinary Expenses reasonably and necessarily made or incurred by the Trustee in connection with such Ordinary Services hereunder and, if it should become necessary that the Trustee perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor from the Airline, and to reimbursement from the Airline for reasonable and necessary Extraordinary Expenses in connection therewith; provided that if such Extraordinary Services or Extraordinary Expenses are occasioned by the gross negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement from the Airline for reasonable fees and charges of the Trustee as Bond Registrar and paying agent for the Bonds. The Trustee shall be entitled to indemnification from Airline for, and to be held harmless against, any loss, liability or expense incurred without gross negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. Upon the occurrence of an event of default and during its continuance, the Trustee shall have a first lien with right of payment before payment on account of interest on or principal of any Bond secured by this Indenture upon all moneys in its possession under any provisions hereof, for the foregoing advances, fees, costs and expenses incurred. All such amounts shall be payable as provided in Section 4.2(b) of the Agreement.

Section 904. Notice To Owners Of Bonds And City If Default Occurs.

(a) If a default occurs of which the Trustee is by subsection (g) of Section 901 hereof required to take or deemed to have notice or if notice of default be given as in said subsection (g) provided, the Trustee shall, within fifteen (15) days thereafter, give written notice thereof by registered or certified mail (unless such default is cured or waived), to each Owner of Bonds then outstanding.

(b) If a default occurs of which the Trustee is by subsection (g) of Section 901 hereof required to take or deemed to have notice or if notice of default be given as in said subsection (g) provided, the Trustee shall give the City immediate telephonic notice of such default regardless of whether such default is cured, waived or rescinded, with written confirmation of such notice to follow within three (3) Business Days thereafter.

(c) Copies of each notice given by the Trustee pursuant to paragraph (a) or paragraph (b) of this Section 904 shall be given by the Trustee concurrently to the City, which shall not in any event be obligated to take any action as a result of the receipt of such notice.

Section 905. Intervention By Trustee.

In any judicial proceeding to which the City is a party that, 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 Owners of the Bonds and subject to the provisions of Section 901(i), shall do so if requested in writing by the Owners of majority in aggregate principal amount of all Bonds then outstanding.

Section 906. Successor Trustee.

Any corporation or national banking association into which either Trustee may be merged, or with which it may be consolidated, or to which it may sell, lease or transfer its corporate trust business and assets as a whole or substantially as a whole, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument on the part of any of the parties hereto.

Section 907. Resignation By The Trustee.

Either Trustee may at any time resign from the trusts hereby created by giving sixty (60) days' written notice by registered or certified mail to the City, the Airline, and the Owner of each Bond, and such resignation shall take effect at the appointment of a successor Trustee pursuant to the provisions of Section 909 hereof and acceptance by the successor Trustee of such trusts.

Section 908. Removal Of The Trustee.

Either Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee, the City, and the Airline and signed by the Owners of a majority in aggregate principal amount of Bonds then outstanding.

Section 909. Appointment Of Successor Trustee.

If either Trustee hereunder shall:

(a) resign pursuant to Section 902 or 907 hereof;

(b) be removed pursuant to Section 908 hereof; or

(c) be dissolved, taken under the control of any public officer or officers or of a receiver appointed by a court, or otherwise become incapable of acting hereunder, a successor shall be appointed by the City with the written agreement of the Airline; provided that if a successor Trustee is not so appointed within thirty (30) days after notice of resignation is mailed or instrument of removal is delivered as provided under Sections 902, 907 and 908 hereof, respectively, or within ten (10) days of the City's knowledge of any of the events specified in (c) hereinabove, and there is no Trustee hereunder meeting the requirements of section 902 hereof, then the Owners of a majority in aggregate principal amount of Bonds then outstanding, by an instrument or concurrent instruments in writing signed by or on behalf of such Owners, may designate a successor Trustee. Every such successor Trustee appointed pursuant to the provisions of this section shall be a trust company or bank in good standing, shall have a corporate trust office in Chicago, Illinois, and shall be eligible to serve as Trustee under the applicable laws of the State, having a reported capital and surplus of not less than $100,000,000 (or $5,000,000, if there shall already be a Trustee hereunder meeting all the other requirements under this Section 909) and willing to accept the trusteeship under the terms and conditions of this Indenture. If at any time the sole remaining Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article IX before the date specified in the notice of resignation as the date when such resignation shall take effect, the Owner of any Bond or the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

Section 910. Concerning Any Successor Trustee.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City and the Airline an instrument in writing accepting such appointment hereunder, and thereupon such successor shall become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor. Notwithstanding the foregoing sentence, (1) such predecessor shall, on the written request of the City, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder and (2) such predecessor shall upon payment of its charges 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 any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City at the expense of the Airline.

Section 911. No Transfer Of Rights Under Agreement By Trustee; Exception.

Except as required to effect an assignment to a successor Trustee, the Trustee shall not sell, assign or transfer its rights under the Agreement.

Section 912. Designation Of Trustee As Paying Agent.

The Trustee shall be the paying agent for the Bonds.

Section 913. Appointment Of Co-Trustee.

(a) 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) 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 Agreement, and in particular in case of the enforcement thereof on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action that 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 are adopted to these ends.

(b) If 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 only to the extent that the Trustee by the laws of any jurisdiction (including particularly the State) is incapable of exercising 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.

(c) Should any 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 instruments in writing shall, on request, be executed, acknowledged and delivered by the

City at the expense of the Airline; provided that if an event of default shall have occurred and be continuing, if the City does not execute any such instrument within fifteen (15) days after request therefor, the Trustee shall be empowered as an attorney-in-fact for the City to execute any such instrument in the City's name and stead. If 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, so 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.

(d) The Trustee shall be entitled to remove any co-trustee so appointed by the Trustee upon written notice to such co-trustee, the City and the Airline.

Section 914. Trustee Protected In Relying Upon Resolution, Etc.

The resolutions, ordinances, 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 915. Dealing In Bonds.

The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City or the Airline, and may act as depositary, trustee, or agent for any committee or body of Bondholders secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

Article X.

Supplemental Indentures.

Section 1001. Supplemental Indentures And Amendments Not Requiring Consent Of Bondholders.

Subject to Section 1003 hereof, 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 create, and provide the applicable terms and conditions herein with respect to, any Series of Bonds in addition to the Series 1990 Bonds;

(b) to add to the covenants and agreements of, and limitations and restrictions upon, the City in this Indenture, other covenants, agreements, limitations and restrictions to be observed by the City that are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) to grant to or confer or impose upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted, conferred or imposed and that are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) to cure any ambiguity or omission in or to cure, correct or supplement any defective provision of this Indenture or otherwise to amend or supplement this Indenture in such manner as shall not impair the security hereof or adversely affect the Bondholders;

(e) to evidence the appointment of a separate Trustee or a co-trustee, authenticating agent or co-bond registrar or to evidence the succession of a new Trustee hereunder;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(g) to subject to this Indenture additional revenues, properties or collateral;

(h) to provide for a paying agent in addition to the Trustee;

(i) to change the definition of "Investment Securities" set forth in Section 101 hereof; and

(j) to make any other change that shall not be to the prejudice of the Bondholders or the Trustee.

Section 1002. Supplemental Indentures Requiring Consent Of Bondholders.

(a) Exclusive of supplemental indentures covered by Section 1001 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners 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 other indenture or indentures supplemental hereto for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided that nothing in this section contained shall permit or be construed as permitting (a) an extension of the maturity date of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond, the rate of interest thereon or the amount of any premium payable on the redemption thereof, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture.

(b) If at any time the City shall request the Trustee to enter into any such supplemental indenture for any of the purposes allowed by this Section, the Trustee shall, at the request of the City and upon being satisfactorily indemnified by the Airline with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed in substantially the manner provided in Section 603 hereof with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof 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 of time as shall be prescribed by the City following the mailing of such notice, the Owners of 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 Owner of any Bond 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. The City shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondholders. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may receive an opinion of Counsel that any such supplemental indenture entered into by the City and the Trustee complies with the provisions of this Article X and is enforceable in accordance with its terms, and the Trustee may rely upon such opinion.

Section 1003. Consent To Supplemental Indentures.

(a) Anything herein to the contrary notwithstanding, a supplemental indenture under this Article X that affects any rights or obligations of the Airline shall not become effective unless and until the Airline shall have consented to the execution and delivery of such supplemental indenture.

The Airline shall be given prior written notice of the proposed execution and delivery of any supplemental indenture whether or not its rights or obligations are affected. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed by certified or registered mail to the Airline at least fifteen (15) days before the date of the mailing of notice of the proposed execution of such supplemental indenture as hereinbefore in Section 1002 provided. The Airline shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive at its principal corporate trust office (Attention: [ ]) a letter of protest or objection thereto signed by or on behalf of the Airline on or before 4:30 P.M., Chicago time, on the fifteenth day after the mailing of said notice and a copy of the proposed supplemental indenture.

(b) The Trustee may, but shall not be obligated to, enter into any supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Article XI.

Amendment Of Agreement.

Section 1101. Amendments, Etc., To Agreement Not Requiring Consent Of Bondholders.

The City and the Airline may, with the written consent of the Trustee, but without the consent of or notice to any of the Bondholders, enter into any amendment, change or modification of the Agreement as may be required (a) by the provisions of the Agreement or this Indenture, (b) for the purpose of curing any ambiguity, formal defect or formal omission or in connection with any other change therein, provided that no such action is to the prejudice of the Trustee or the Owners of the Bonds, or (c) so as to add additional rights acquired in accordance with the provisions of the Agreement; provided that any amendment to Exhibit A to the Agreement contemplated in Section 3.1 of the Agreement, shall not be deemed to be an amendment of the Agreement for any purpose of this Article XI.

Section 1102. Amendments, Etc., To Agreement Requiring Consent Of Bondholders.

Except for the amendments, changes or modifications as provided in Section 1101 hereof, neither the City nor the Airline shall enter into any other amendment, change or modification of the Agreement without mailing of notice and the written approval or consent of both the Owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, given and procured as provided in this section: provided that nothing in this section or Section 1101 hereof shall permit or be construed as permitting (a) an extension of the time of the payment of any amounts payable under Section 4.2 of the Agreement, or (b) a reduction in the amount of any payment or in the total amount due under Section 4.2 or of the Agreement. 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 Agreement, the Trustee shall, at the request of the City and upon being satisfactorily indemnified with respect to expenses' cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 602 hereof with respect to redemption of Bonds. 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 with 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 mailing of such notice, both the Owners of a majority in principal amount of the Bonds outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond 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 Airline or the City from executing the same or from taking any action pursuant to the provisions thereof, or the Trustee from consenting thereto. The City shall have the right to extend from time to time the period within which such consent and approval may be obtained from the Bondholders. Upon the execution of any such amendment, change or modification as in this section permitted and provided the Agreement shall be and be deemed to be modified, changed and amended in accordance therewith.

Section 1103. Reliance On Opinion Of Counsel.

The City and the Trustee may rely upon an opinion of Counsel to the effect that any such proposed amendment, change or modification will comply with the provisions of this Article XI and is enforceable in accordance with its terms.

Section 1104. No Consent For Assignment Of Agreement By Airline.

Nothing in this Article XI or elsewhere in this Indenture shall be construed as requiring the consent or approval of the Trustee or any of the

Bondholders to an assignment of the Agreement in whole or in part by the Airline in accordance with Section 5.6 of the Agreement.

Section 1105. Consent Of Trustee.

The Trustee may, but shall not be obligated to, consent to any amendment, change or modification of the Agreement that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Article XII.

Discharge Of Indenture.

Section 1201. Discharge Of Lien Of Indenture.

(a) If the City shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Owners of the Bonds of the principal or redemption price (including any premium) of and interest due or to become due on the Bonds at the times and in the manner stipulated therein and if the City shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof to the extent provided herein, and if the Trustee shall be furnished with an opinion of Counsel to the effect that all conditions precedent to the satisfaction and discharge of this Indenture have been fulfilled, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon 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 cancel and discharge the lien of this Indenture, and reconvey, release, assign and deliver unto the City any and all the estate, right, title and interest in and to any and all property conveyed, assigned or pledged to the Trustee or otherwise subject to this Indenture, except for amounts required to be paid to the Airline under Section 413 hereof, which shall be so paid, and except for moneys or securities held by said Trustee for the payment of the principal of and interest on the Bonds.

(b) Any Bond shall be deemed to be paid within the meaning of this Article when payment of the principal or redemption price (including any premium) of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (i) moneys sufficient to make such payment, and/or (ii) Governmental Obligations (provided that the Trustee shall have received an opinion of Bond Counsel to the effect that such deposit will not affect the tax-exempt status of the interest on any of the Bonds nor cause any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code) maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Airline under the Agreement shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of any such payment from such moneys or Governmental Obligations (including earnings therefrom).

(c) No Bonds in respect of which a deposit under clause (b)(2)(ii) above has been made shall be deemed paid within the meaning of this Article unless the Trustee is satisfied, based upon a verification report prepared by a firm of independent certified public accountants, that the amounts deposited are sufficient to make all payments that might become due on the Bonds.

(d) Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Airline also be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Governmental Obligations in the hands of the Trustee pursuant to this Article that is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Special Facility Revenue Fund, as appropriate, as and when realized and collected for use and application as are other moneys deposited in that fund.

(e) Anything in Article XI hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and the interest thereon and such Bonds and the interest thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each of the Bonds affected thereby.

(f) Notwithstanding the foregoing, those provisions relating to the maturity of Bonds interest payments and dates thereof, and the dates and notice requirements for optional and mandatory redemption and the Trustee's remedies with respect thereto, and provisions relating to exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost, stolen or undelivered Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments to the Airline from any Funds pursuant to Section 413 hereof and the duties of the Trustee in connection with all of the foregoing and the fees, expenses and indemnities of the Trustee, shall remain in effect and shall be binding upon the Trustee, the City, the Airline, and the Bondholders notwithstanding the release and discharge of the lien of this Indenture.

Article XIII.

Miscellaneous.

Section 1301. Consents, Etc., Of Bondholders.

(a) Any consent, approval, direction 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 such consent, approval, direction or other instrument or of the writing appointing any such agent, 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:

(1) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgements within such jurisdiction that the Person signing such instrument or writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution or in any other manner satisfactory to the Trustee; and

(2) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books of the City maintained by the Trustee pursuant to Section 205 hereof.

(b) For all purposes of this Indenture and of the proceedings for the enforcement hereof, such Person shall be deemed to continue to be the Owner of such Bond until the Trustee shall have received notice in writing to the contrary, which notice shall be made in the manner prescribed in this section.

(c) In determining whether the Owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds that are owned by the Airline or any affiliate thereof, and that are known to be so owned by an officer of the Trustee assigned to its [Corporate Trust Division], shall be disregarded and deemed not to be Outstanding hereunder for the purpose of any such determination unless all Bonds are owned by the Airline or any affiliate thereof, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Notwithstanding the foregoing, Bonds so owned that have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Airline or any affiliate of the Airline.

(d) Any such consent, approval, direction or other instrument shall be binding upon the Owner of the Bond giving such consent and, anything in this Section 1301 to the contrary notwithstanding, upon any subsequent Owner of such Bond and of any Bond issued in exchange therefor or on registration of transfer thereof (whether or not such subsequent Owner thereof has notice thereof), unless such consent, approval, direction or other instrument is revoked in writing by the Owner of such Bond giving such consent or by a subsequent Owner thereof by filing with the Trustee, before the taking by the Trustee of any action on the basis of such consent, approval, direction or other instrument, such revocation. At any time after the Owners of the required percentage of Bonds shall have filed their consents to any action permitted hereby to be taken by the Owners of such percentage of Bonds, the Trustee shall make and file with the City a written statement that the Owners of such required percentage of Bonds have filed such consents. Such written statement shall be conclusive evidence that such consents have been so filed.

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 other than the parties hereto, the Airline, and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture. This Indenture and all of the covenants, conditions and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Owners of the Bonds, and the Airline as herein provided.

Section 1303. Severability.

If any provision of this Indenture shall be invalid, 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 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 contained in this Indenture shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1304. Notices.

Except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given to the parties required hereunder to receive such notice, certificate or communication when mailed by registered or certified mail, postage prepaid, addressed as follows (provided that notices hereunder to the Trustee shall be effective when received by the Trustee):

If To The City:	City of Chicago Office of Comptroller Room 501, City Hall 121 North LaSalle Street Chicago, Illinois 60602 Attention: City Comptroller
With A Copy To:	City of Chicago Department of Aviation 20 North Clark Street Suite 3000 Chicago, Illinois 60602 Attention: Commissioner of the Department of Aviation
If To The Airline Mailing Address:	Compagnie Nationale Air France 888 Seventh Avenue New York, New York 10106
Express Deliveries:	
	Attention: Legal Services Manager

If To The Trustee: Independence Bank of Chicago
7936 South Cottage Grove Avenue
Chicago, Illinois 60619

Attention:

If by reason of the suspension of mail service, it shall be impracticable to give notice by mail of any event to the Owner of any Bonds, to the City or to the Airline when such notice is required to be given to any provisions of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of notice.

Section 1305. Holidays.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture and no interest shall accrue for the period after such date.

Section 1306. Counterparts.

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

Section 1307. Applicable Law.

This Indenture shall be governed exclusively by and construed in accordance with the laws of the State applicable to contracts made and to be performed in the State.

Section 1308. City's Obligations Limited.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (a) the City may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the City by the Trustee or the Airline as to the existence of any fact or state of affairs required hereunder to be noticed by the City; (b) the City shall not be under any obligation hereunder to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed either by the Trustee or the Airline; and (c) none of the provisions of this Indenture shall require the City to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses and liability which may be incurred thereby. Notwithstanding anything herein contained to the contrary, any obligation that the City may incur under this Indenture or under any instrument executed in connection herewith that shall entail the expenditure of money shall not be a general obligation of the City but shall be a limited obligation payable solely from Special Facility Revenues.

Section 1309. Immunity Of Officers, Employees, Agents And Members Of Governing Body Of City.

No recourse shall be had for the enforcement of any obligation, promise or agreement of the City contained in the Agreement, this Indenture or in any Bond issued hereunder for any claim based thereon or otherwise in respect thereof, against any officer, employee or agent, or member of the Governing Body, as such in his individual capacity, past, present or future of the City or of any successor thereto, either directly or through the City or any successor thereto, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Indenture, the Bonds and the Agreement are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any officer, employee or agent, or member of the Governing Body as such, past, present or future, of the City or any successor thereto, either directly or through the City or any successor thereto, under or by reason of any of the obligations, promises or agreements entered into between the City and the Airline neither contained in the Agreement or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such officer, employee or agent, or member of the Governing Body, of the City is, by the execution of the Agreement and this Indenture, and as a condition of, and as part of the consideration for, the execution of the Agreement and this Indenture, expressly waived and released.

Section 1310. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Indenture.

In Witness Whereof, The City has caused these presents to be signed in its name and behalf by its City Comptroller and its corporate seal to be hereunto affixed 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 [Vice Presidents] and attested by one of its [Assistant Secretaries], all as of the first day of October, 1990.

City of Chicago

By: ______________________________
City Comptroller

(Seal)

Attest:

____
City Clerk

Independence Bank of Chicago, as Trustee

By: ______________________________
____

Attest:

____
____

The First National Bank of Chicago,
as Trustee

By: ______________________________
____

Attest:

____
____

Exhibit "A" attached to this Indenture of Trust reads as follows:

Exhibit "A"

Form Of Bond.

[Form Of Face Of Bond]

Registered No. R-	Registered $

Interest Rate: Maturity Date: Dated Date: C.U.S.I.P.:

Registered Owner:

Principal Amount:

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bond

(Compagnie Nationale Air France Project)

Series _________.

The City of Chicago (the "City"), a municipal corporation and home rule unit of local government duly organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay, from the sources and in the manner hereinafter provided, to the Registered Owner identified above or registered assigns, upon presentation and surrender of this Bond the Principal Amount identified above on the Maturity Date identified above, unless the Bond shall earlier have been called for redemption and payment of the redemption price (including any premium) shall have been duly made or provided for, and to pay the Registered Owner hereof interest thereon from the Dated Date identified above to the Maturity Date or earlier redemption of this Bond, at the Interest Rate identified above payable on [Payment Month], [Payment Day], [Year] and semiannually thereafter on each [Anniversary Month], [Payment Day] and [Payment Month], [Payment Day] (each an "Interest Payment Date") until the City's obligation with respect to the payment of such Principal Amount shall be discharged, at the principal corporate trust office in the City of Chicago, State of Illinois of the Trustee hereinafter mentioned. Principal of and interest and redemption premium, if any, on this Bond are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds by the City designated as its "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project)" (the "Bonds") issued and to be issued in one or more series pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, and certain ordinances of the City Council of the City, and executed under an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie

Nationale Air France Project) (the "Indenture") dated as of October 1, 1990, from the City to the Trustee, for the purpose of providing funds to finance the costs of certain improvements constituting a cargo facility at Chicago-O'Hare International Airport and further improvements and other accessions thereto for use by Compagnie Nationale Air France, a corporation organized under the laws of the Republic of France (the "Airline"), and for paying costs and expenses incidental thereto and to the issuance of the Bonds. Payments sufficient to provide for the payment when due of the principal of and interest and redemption premium, if any, on the Bonds are required to be made directly to the Trustee for the account of the City by the Airline under the terms of a Special Facility Use Agreement dated as of October 1, 1990 (the "Agreement"), between the City and the Airline relating to the Bonds. The Bonds are all issued under and equally and ratably secured by and entitled to the security of a pledge and assignment of the revenues and receipts derived by the City pursuant to the Agreement, and all receipts of the Trustee credited under the provisions of the Indenture against such payments, and from certain other moneys held by the Trustee under the Indenture for such purpose, and there shall be no recourse against the City or any property now or hereafter owned by it other than against said revenues and receipts. In addition, the Airline has delivered to the Trustee its Guaranty unconditionally guaranteeing the payment of principal of and interest on the Bonds and the redemption price of the Bonds in the event of a mandatory redemption under the Indenture, as the same shall be due and payable, and all payments under such Guaranty shall be remitted directly to the Trustee for the account of the City under the Indenture. The Agreement, and the obligations of the Airline, thereunder, may under certain circumstances be assigned in whole or in part by the Airline, without the necessity of obtaining the consent of either the Trustee or the Bondholders.

The 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. Neither the faith and credit nor the taxing power of the City, the State of Illinois or any political subdivision thereof is pledged to the payment of the principal or redemption price (including any premium) of the Bonds, or the interest thereon, or other costs incident thereto. The Bonds are payable solely from the special facility revenues in the Indenture pledged to such payment and no owner or owners of the Bonds shall ever have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof nor to enforce the payment of the Bonds against any property of the City, the State of Illinois or any such political subdivision. The Project (as defined in the Indenture) is not security for the Bonds, and the Bonds are not secured by any other property or improvements at Chicago-O'Hare International Airport or the revenues derived by the City from the operation of said Airport generally.

As provided in the Indenture, Bonds may be issued from time to time pursuant thereto in one or more Series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture. The aggregate principal amount of Bonds which may be issued pursuant to the Indenture is not limited and all Bonds issued and to be issued pursuant to the Indenture are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

This Bond is one of a series of Bonds designated "Series ________Bonds" (the "Series Bonds"), issued in the aggregate principal amount of $__________ pursuant to the Indenture, for the purposes authorized by the Indenture. Copies of the Indenture and the Agreement are on file at the office of the City Clerk and at the principal corporate trust offices of Independence Bank of Chicago and The First National Bank of Chicago in Chicago, Illinois, jointly and severally as trustee under the Indenture, or their successors as trustee (the "Trustee"), and reference to the Indenture and any and all supplemental indentures thereto and to the Agreement and any and all modifications and amendments thereof is made for a complete description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies thereof is made for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, and the rights and remedies of the Registered Owners of the Bonds with respect thereto.

Reference Is Hereby Made To The Further Provisions Of This Bond Set Forth On The Reverse Hereof And Such Further Provisions Shall For All Purposes Have The Same Effect As If Set Forth Here.

It Is Hereby Certified, Recited And Declared, That all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law, and that the issuance of this Bond and the series of which it forms a part does not exceed or violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture unless and until the 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 facsimile signature of its Mayor and the facsimile of its corporate seal to be printed hereon and attested by the facsimile signature of its City Clerk.

Dated: ____________________

City of Chicago

By: [Facsimile Signature]__________
Mayor

Attest:

[Facsimile Signature]________
City Clerk

[Facsimile Seal]

[Form Of Trustee's Certificate Of Authentication]

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

____________________, as Trustee

By: ____________________________
Authorized Signature

[Form Of Reverse Of Bond]

This Bond is transferable as provided in the Indenture, only upon the books of the City kept for that purpose at the principal corporate trust office of the Trustee, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or such duly authorized attorney. Upon the surrender for registration of transfer hereof, the City shall execute and the Trustee shall authenticate a new Bond or Bonds registered in the name of the transferee of the same aggregate principal amount, maturity and interest rate as the surrendered Bond. The City, the Trustee, and any agent of the City or the Trustee may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein and in the Indenture provided and for all other purposes, whether or not this Bond is overdue, and neither the City, the Trustee, nor any such agent shall be affected by notice to the contrary.

The Series __________ Bonds are issuable solely in the form of registered Bonds in the denomination of $5,000, or any integral multiple thereof. Upon the payment of the charges if any, this Bond, upon surrender at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his attorney duly authorized in writing, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denominations.

Payments of interest alone on any Interest Payment Date shall be made to the Registered Owner hereof as of the close of business on the [Record Date 1] or [Record Date 2] immediately before such Interest Payment Date (each a "Record Date"), and shall be (i) paid by check or draft mailed to such Registered Owner hereof at his address as it appears on the registration books of the City maintained by the Trustee as Bond Registrar (or any co-registrar appointed pursuant to the provisions of the Indenture), or (ii) made by wire transfer to such Registered Owner upon written request indicating the applicable wire transfer address in the continental United States by such Registered Owner to the Trustee given not less than [ ] days before such Record Date; provided that such Registered Owner shall, as of the close of business on such Record Date, own [Wire Transfer Minimum Ownership] or more in aggregate principal amount of the Bonds. If any Interest Payment Date is not a Business Day (as defined in the Indenture), then the applicable interest payment shall be made on the first Business Day thereafter. Interest on the Bonds shall be computed on the basis of a year of 360 days comprising twelve 30-day months.

[Insert applicable redemption terms]

The Bonds are subject to optional and mandatory redemption under certain conditions, in addition to those described above, as provided in the Indenture. Notice of any such redemption must be given to the Registered Owners of the Bonds by registered or certified mail not less than thirty (30) days nor more than sixty (60) days before the redemption date. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been given, whether or not Registered Owners of the Bonds receive the notice.

This Bond and all other Bonds of the issue of which it forms a part are issued pursuant to 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 pursuant to an ordinance adopted by the City Council of the City, which ordinance authorizes the execution and delivery of the Indenture. This Bond and the issue of which it forms a part are limited obligations of the City payable solely from the amounts derived under the Agreement and pledged under the Indenture consisting of: (i) all amounts payable from time to time by the Airline with respect to the Bonds pursuant to the Agreement (except for amounts payable with respect to Unassigned Rights as defined in the Indenture) and all receipts of the Trustee credited under the provisions of the Indenture against said amounts payable, (ii) any portion of the net proceeds of the Bonds deposited with the Trustee under the Indenture, and (iii) any amounts paid into the Bond Fund created in the Indenture from the Construction Fund created in the Indenture, including moneys attributable to Bond proceeds or the income from the temporary investment thereof.

No recourse shall be had for the payment of the principal of or interest or redemption premium, if any, on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, employee or agent, or member of the City Council of the City, or any successor to the City, as such, either directly or through the City, or any successor to the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, employee or agent, or member of the City Council, as such, is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or 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 proceeding with respect thereto, except as provided in the Indenture. If an event of default as defined in the Indenture occurs and is continuing, the principal of all Bonds then outstanding issued under the Indenture may be declared due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

The Indenture prescribed the manner in which it may be discharged and after which the Bonds shall no longer be secured by or entitled to the benefits of the Indenture, except as provided in the Indenture and for the purposes of registration and exchange of Bonds and of such payment, including a provision that the Bonds shall be deemed to be paid if Governmental Obligations, as defined therein, maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of and interest on the Bonds and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

[Form Of Assignment]

For Value Received, the undersigned sells, assigns and transfers unto ________________________ (Name and Address of Assignee) the within Bond of the City of Chicago and does hereby irrevocably constitute and appoint attorney to transfer said Bond on the books kept for registration thereof with full power of substitution in the Premises.

____

Dated: __________________________

Signature Guaranteed:

Notice: The signature subscribed to this assignment must be guaranteed by a commercial bank or trust company or by a member of The New York Stock Exchange, Inc.

Notice: The signature subscribed to this assignment must correspond to the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN. COM. -- as tenants in common

TEN. ENT. -- as tenants by the entireties

JT. TEN. -- joint tenants with right of survivorship and not as tenants in common

UNIF. GIFT. MIN. ACT. --

______________ as Custodian for ______________
(Cust) (Minor)

under Uniform Gifts to Minors Act of ______________
(State)

Additional abbreviations may also be used though not in the above list.

Variable Rate Demand Bond Provisions

For Insertion Into The

Indenture Of Trust

Securing Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Compagnie Nationale Air France Project).

[If the Series 1990 Bonds are to be issued as variable rate demand bonds, the following provisions need to be inserted into the Indenture. Where section numbers or defined terms already exist in the form of Indenture, the provisions below are to replace the existing provisions.]

General.

[References to payment of "principal of and interest and redemption premium, if any, on" shall be changed to "principal and purchase price upon tender, if any, and interest and redemption premium, if any, on".]

Definitions.

["Administrative Expenses" shall include fees and expenses of any Remarketing Agent or Tender Agent.]

"Bond Purchase Date" means, for any Bond of a Series of Bonds which may become Tendered Bonds, (i) each Business Day selected by the Registered Owner of such Bond pursuant to the provisions of this Indenture which permit the tender of such Bond for purchase and (ii) each Business Day upon which such Bond is required to be tendered for purchase by the Registered Owner thereof by the provisions of this Indenture.

"Bond Purchase Fund" means the Fund created by Section 417 of this Indenture.

"Conversion Date" means any date on which the Interest Rate Mode of part or all of any Series of Bonds changes.

"Credit Agreement" means, for any Credit Facility and Credit Provider, the agreement or instrument between such Credit Provider and the Airline or the City, as the case may be, which governs the rights, duties and obligations of such parties with respect to the issuance and maintenance of such Credit Facility, as such agreement or instrument may be amended or supplemented.

"Credit Facility" means, for part or all of any Series of Bonds, the guaranty, irrevocable letter of credit, line of credit bond purchase agreement, bond insurance or other form of credit enhancement or liquidity support, if any, from time to time in effect whether the original Credit Facility or any alternate or replacement Credit Facility, as each may from time to time be transferred, assigned, reissued or extended in accordance with its terms, for such Bonds specified in this Indenture with respect to such Series of Bonds. The issuance by the Credit Provider of a new form of its Credit Facility pursuant to its Credit Agreement which effects one or more of the following changes and makes no other amendments or change to such Credit Facility shall be considered for purposes of this Indenture to continue to be such Credit Facility, rather than an alternate or replacement Credit Facility; (i) an extension of the regularly scheduled expiration date; (ii) a change in the fees and expenses to be paid to such Credit Provider; (iii) changes to any of the addresses set forth therein; (iv) a change in the amount of interest, the payment of which is secured by such Credit Facility, whether by increasing or decreasing the number of days for, or the rate of interest at, which such interest is to be payable for purposes of determining such amount of interest; and (v) the addition or deletion of coverage by such Credit Facility of premium payable with respect to the Bonds for which such Credit Facility was furnished.

"Credit Facility Termination Date" means, for any Credit Facility, the date on which such Credit Facility is to expire by its terms.

"Fixed Interest Rate" means the fixed rate of interest to be applicable to part or all of any Series of Bonds following exercise by the Airline of its option to convert such Bonds to the Fixed Interest Rate Mode pursuant to the provisions of this Indenture.

"Fixed Interest Rate Mode" means the mode in which the interest rate on part or all of any Series of Bonds is determined and in effect for the remaining term of such Bonds.

"Fixed Rate Conversion Date" means, (i) for Bonds of any Series which are in a Variable Interest Rate Mode, the date, determined in accordance with the provisions of this Indenture, upon which any Bonds of such Series begin to bear interest at a Fixed Interest Rate, and (ii) for Bonds of any Series issued in a Fixed Interest Rate Mode, the date of initial issuance thereof.

"Initial Interest Rate Period" means, for any Series of Bonds, the period from the date of initial issuance of such Bonds through and including the first Interest Rate Adjustment Date with respect to such Bonds.

"Initial Rate" means, for any Series of Bonds, the interest rate on such Bonds for the Initial Interest Rate Period for such Bonds.

"Interest Payment Date" means, for any Series of Bonds, each date on which interest on such Bonds is payable and, in the case of any Bonds of any Series in the Fixed Interest Rate Mode, shall mean the first (1st) day of each May and November, beginning with the first of such dates to occur after the issuance of such Bonds, or, if such day is not a Business Day, then the first Business Day thereafter, unless otherwise specified with respect to a particular Series of Bonds in this Indenture.

"Interest Rate Adjustment Date" means, for any Series of Bonds, each date, which shall be a Business Day, on which part or all of the Bonds of such Series will begin to bear interest at a rate announced on an Interest Rate Determination Date for such Bonds and shall be the date set forth in the provisions of this Indenture applicable to such Series and to the particular Interest Rate Mode for such Bonds.

"Interest Rate Determination Date" means, for any Series of Bonds, each date, which shall be a Business Day, on which interest on such Bonds is determined and announced by the Remarketing Agent for such Series of Bonds and shall be the date set forth in the provisions of this Indenture applicable to such Series and to the particular Interest Rate Mode for such Bonds.

"Interest Rate Mode" means, for part or all of the Bonds of any Series, as the case may be, the mode in which the Interest Rate for such Bonds is being determined, and includes the Fixed Interest Rate Mode, the Variable Interest Rate Mode and any other mode in which the Interest Rate of any Bonds shall be determined pursuant to the provisions of this Indenture.

"Mandatory Purchase Date" means any of the dates specified in this Indenture on which Bonds of any Series are subject to Mandatory Purchase.

"Mandatory Purchase" means the mandatory purchase of Bonds of any Series upon the occurrence of certain events as provided by the provisions of this Indenture applicable to such Series.

"Purchase Price" means, with respect to any Tendered Bonds, 100% of the principal amount of such Bonds, plus, in the case of Bonds in the Weekly Interest Rate Mode, accrued and unpaid interest on such Bonds.

"Remarketing Agent" means any person meeting the qualifications of Section [917] designated from time to time to act as Remarketing Agent for any Series of Bonds under Section [916].

"Tender Agent" means any person meeting the qualifications of and designated to act as Tender Agent for any Series of Bonds under Section [921].

"Tender Agency Agreement" means, for any Series of Bonds, the agreement pursuant to which the Tender Agent for such Series agrees to accept the duties of Tender Agent provided under Section [921].

"Tendered Bonds" means Bonds of any Series tendered to the Trustee or the Tender Agent, pursuant to the provisions of this Indenture permitting or requiring such tender, by the Registered Owners thereof for purchase other than by the City pursuant to provisions of the Indenture for optional or mandatory redemption.

"Undelivered Bond" means any Bond which is deemed tendered but which is not actually delivered for purchase on the applicable Bond Purchase Date.

"Unremarketed Bonds" means Bonds purchased with moneys drawn or otherwise furnished under a Credit Facility for such Bonds which are being held for the benefit of the Credit Provider of such Credit Facility pursuant to the provisions of this Indenture, the Credit Agreement for such Credit Facility or any pledge or similar agreement or instrument with respect to such Bonds entered into in connection with such Credit Facility.

"Variable Interest Rate Mode" means any Interest Rate Mode in which the rate of interest on Bonds of any Series is reset from time to time, and includes the Weekly Interest Rate Mode.

"Weekly Interest Rate Mode" means the mode in which the interest rate on part or all of the Bonds of any Series is reset on a periodic basis approximating one week as provided in the applicable provisions of this Indenture.

"Weekly Interest Rate Period" means the period of time in which part or all of the Bonds of any Series bear interest in the Weekly Interest Rate Mode as provided in the applicable provisions of this Indenture.

[Section 204.]

[Paragraph (a) shall be modified to reflect the designation of the Series 1990 Bonds as "Variable Rate Demand Series 1990", that the form of the Bond will include the optional redemption, tender for purchase and transfer or exchange provisions in insertions to Exhibit A below consistent with the provisions herein, and that Authorized Denominations for the Series 1990 Bonds shall be integral multiples of $100,000 until the Fixed Rate Conversion Date, and integral multiples of $5,000 thereafter.]

(c) From the date on which the Series 1990 Bonds are issued to [December], 199[0], (the initial Interest Rate Adjustment Date), the interest rate on all of the Series 1990 Bonds shall be [Initial Interest Rate]% per annum. Thereafter, the Series 1990 Bonds shall bear interest at the Weekly Interest Rate announced by the Remarketing Agent for the Series 1990 Bonds, which shall initially be [Smith Barney, Harris Upham & Co., Incorporated] on each Interest Rate Determination Date, until the Fixed Rate Conversion Date.

(d)

(1) As long as the Series 1990 Bonds bear interest in a Weekly Interest Rate Mode, the Series 1990 Bonds are subject to optional redemption by the City, at the direction of the Airline and upon compliance with the terms of the Credit Agreement with the Credit Provider for the Series 1990 Bonds, on any Interest Rate Adjustment Date, in whole or in part in Authorized Denominations, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest to the date set for redemption.

(2) From and after the Fixed Rate Conversion Date, Series 1990 Bonds are subject to optional redemption by the City, upon the written direction of the Airline, beginning with the [third] anniversary of the Fixed Rate Conversion Date, in whole at any time or in part on any Interest Payment Date, at the applicable redemption prices (expressed as percentages of the principal amount of the Bonds to be so redeemed) set forth in the following table, plus accrued interest to the date set for redemption:

Redemption Dates (Dates Inclusive)	Redemption Price
First Interest Payment Date following the [Third] anniversary of the Fixed Rate Conversion Date to but excluding the [Seventh] anniversary of the Fixed Rate Conversion Date	[103%]
First Interest Payment Date following the [Seventh] anniversary of the Fixed Rate Conversion Date to but excluding the [Eighth] anniversary of the Fixed Rate Conversion Date	[102%]
First Interest Payment Date following the [Eighth] anniversary of the Fixed Rate Conversion Date to but excluding the [Ninth] anniversary of the Fixed Rate Conversion Date	[101%]
First Interest Payment Date following the [Ninth] anniversary of the Fixed Rate Conversion Date to the Stated Maturity of the Series 1990 Bonds	[100%]

(f) The City hereby designates [ ] to act as Tender Agent for the Series 1990 Bonds. The City hereby authorizes and directs the Trustee to execute and deliver such agreements and instruments as shall be reasonably required to authorize such appointment and to evidence acceptance and assumption of the duties of Tender Agent for the Series 1990 Bonds pursuant to the provisions of Section 921 hereof.

(g) The principal of the Series 1990 Bonds shall be payable to the Registered Owners thereof upon presentation and surrender of such Bonds, when due, at the principal office of the Trustee or such other office as the Trustee may designate from time to time in writing to the Bondholder. The interest on the Series 1990 Bonds shall be paid by check or draft drawn upon the Trustee, made payable to the order of the Registered Owners thereof as of the close of business on the relevant Record Date, and mailed to the address of the Registered Owner shown on the registration books of the Trustee. Owners of $1,000,000 or more in aggregate principal amount of the Series 1990 Bonds may submit to the Trustee not later than 15 days before the Record Date a written request that interest be payable by wire transfer to such Owner of the Bonds. Payment as aforesaid shall be made in lawful money of the United States of America. The term "Record Date", as used with respect to any Series 1990 Bonds while such Bonds are in the Weekly Interest Rate Mode, means the Business Day before an Interest Payment Date.

Section 212. Interest Rates On Bonds.

(a) While the Bonds of any Series bear interest in any Variable Interest Rate Mode, the interest rate for a particular Interest Rate Period will be the rate announced by the Remarketing Agent on the Interest Rate Determination Date, which (except under certain circumstances described below) shall also be the Interest Rate Adjustment Date. Such interest rate is effective beginning on the Interest Rate Adjustment Date for the succeeding Interest Rate Period. The interest rate announced by the Remarketing Agent on the Interest Rate Determination Date will be that rate of interest per annum announced and confirmed in writing to the Trustee on the Interest Rate Determination Date by the Remarketing Agent to be the minimum interest rate per annum necessary, during the Interest Rate Period beginning on the Interest Rate Adjustment Date, in the judgment of the Remarketing Agent, to produce a par bid in the secondary market for the affected Bonds on the Interest Rate Determination Date.

(b) If (i) the Remarketing Agent has been removed or has resigned and no successor has been appointed, or (ii) the Remarketing Agent has failed to announce the appropriate interest rate on the Interest Rate Determination Date for whatever reason, or (iii) the appropriate interest rate cannot be determined for whatever reason, the interest rate then in effect for any affected Bonds, without adjustment, will continue for the next Interest Rate Period and the Interest Rate Mode will not be changed.

(c) The interest rate on the Bonds of any Series shall not exceed [fifteen percent (15%)] per annum.

(d) On each Interest Rate Determination Date for any Series of Bonds, the Remarketing Agent will give the Airline, the Book-Entry Depository and the Trustee notice by facsimile transmission or by telephone, confirmed in writing, of the interest rate to be borne by the affected Bonds for the following Interest Rate Period. After any Interest Rate Determination Date any Registered Owner of affected Bonds may contact the Trustee or the Remarketing Agent in order to be advised of the applicable interest rate. Not later than the Business Day following the Interest Rate Determination Date, the Trustee shall notify the City, the applicable Credit Provider, the Book-Entry Depository, and the Tender Agent of the Interest Rate. No notice of the applicable interest rate will be sent to the Registered Owners of affected Bonds. The interest rate announced by the Remarketing Agent, absent manifest error, is binding and conclusive upon the Registered Owners of the affected Bonds, the Airline, the City and the Trustee.

Section 213. Interest Rate Modes, Interest Rate Determination Date, Interest Rate Periods.

(a) Weekly Interest Rate Period.

(1) Each Interest Rate Period during a Weekly Interest Rate Mode for any Series of Bonds shall be for a period of approximately one week beginning on Wednesday and ending on the day preceding the first day of the next Interest Rate Period; provided that if any Wednesday is not a Business Day, the Interest Rate Period shall begin on the next succeeding Business Day.

(2) Each Interest Rate Determination Date shall be not later than [11:00 A.M., Chicago, Illinois time] on the Interest Rate Adjustment Date; provided that if any Interest Rate Adjustment Date is the first Business Day of a month, the Interest Rate Determination Date shall be the first Business Day before such Interest Rate Adjustment Date.

(3) The Interest Rate Adjustment Date for any Weekly Interest Rate Mode shall be the first day of each successive Interest Rate Period, as set forth in paragraph (i) above.

(b) Fixed Interest Rate Period.

(1) The Interest Rate Period for any Fixed Interest Rate Mode shall begin on the Fixed Rate Conversion Date and continue through the stated Maturity of the Bonds.

(2) Except for any Series of Bonds initially issued in a Fixed Rate Interest Mode, the Interest Rate Determination Date shall be not later than 2:00 P.M. Chicago, Illinois time on the day which is 15 calendar days before the Fixed Rate Conversion Date.

(3) The Interest Rate Adjustment Date for any Series of Bonds in a Fixed Rate Interest Mode shall be the Fixed Rate Conversion Date.

Section 214. Conversion Between Interest Rate Modes.

The Interest Rate Mode applicable to some or all Bonds of any Series may be changed, at the election of the Airline in the manner described below.

(a) Conversion To Fixed Interest Rate Mode.

(1) On any Interest Rate Adjustment Date while Bonds of any Series bear interest at a Variable Interest Rate, the Interest Rate on some or all of such Bonds may, at the direction of the Airline, be converted to the Fixed Interest Rate Mode. The date of such conversion shall be the Fixed Rate Conversion Date. After the Fixed Rate Conversion Date, the adjustable rate, purchase and tender features of such Bonds shall be permanently terminated. From and after the Fixed Rate Conversion Date, such Bonds shall bear interest at the Fixed Interest Rate determined in the manner provided herein. In order to exercise its option, the Airline shall deliver a notice to the Trustee, the Remarketing Agent and the Book-Entry Depository specifying such Conversion Date, which shall be a Business Day not less than 45 days following the date such notice is sent. On or before the 20th day before the Fixed Rate Conversion Date, the Airline may specify that such Bonds may be secured by a different Credit Facility from the Credit Facility theretofore in effect, including bond insurance or changes to or deletions of the Credit Facility; provided that such designation shall be effective only if it does not adversely affect the ability of Bond Counsel to render the opinion described below.

(2) The Fixed Interest Rate shall be established by the Remarketing Agent on or before the 15th day preceding the Fixed Rate Conversion Date. Upon determining the Fixed Interest Rate the Remarketing Agent shall immediately notify the Airline, the Trustee, the City and the Tender Agent of such Fixed Interest Rate, by telephone, promptly confirmed in writing.

(3) Not less than 25 days before the Fixed Rate Conversion Date stated in the notice from the Airline, the Trustee shall prepare and send notice by first class mail to each Bondholder and/or to the Book-Entry Depository by facsimile stating:

(i) that the affected Bonds are proposed to be converted to the Fixed Rate Interest Mode on the Fixed Rate Conversion Date specified in such notice;

(ii) that the adjustable rate, purchase and tender features of such Bonds will terminate on the Fixed Rate Conversion Date and that, from and after the Fixed Rate Conversion Date, the interest rate(s) on such Bonds will become fixed;

(iii) the Interest Rate Determination Date for such Bonds;

(iv) that after the Fixed Rate Conversion Date the Bondholders will no longer have the right to tender Bonds to the Tender Agent for purchase;

(v) that in connection with the Fixed Rate Conversion Date the Credit Facility will expire and will no longer secure such Bonds or that it will continue and that the security provisions thereof may be revised;

(vi) that all such Bonds shall be subject to mandatory purchase on the Fixed Rate Conversion Date, and all information required to be included in a notice of mandatory purchase pursuant to Section 919, including that any Bonds so required to be purchased which are not delivered to the Tender Agent on or before 10:30 A.M. on the Fixed Rate Conversion Date shall be deemed purchased in accordance with the provisions of Section 919;

(vii) that any bond credit ratings then applicable to such Bonds may change or be withdrawn on or after the Fixed Rate Conversion Date;

(viii) that during the Fixed Rate Period, such Bonds may be issued in denominations of $5,000 or integral multiples thereof; and

(ix) that such Conversion may be rescinded on or before the Interest Rate Determination Date at the option of the Airline, or thereafter if all conditions to Conversion are not satisfied, or in the circumstances described in paragraph (4) of this Subsection (b).

No other notice of the foregoing shall be provided. If the Airline determines on or before the Interest Rate Determination Date to rescind the conversion or thereafter determines in good faith at any time on or before the Fixed Rate Conversion Date that it is unable to meet the conditions set forth herein to convert such Bonds to the Fixed Interest Rate(s), the Airline will promptly so notify the Trustee and the Trustee will give prompt written notice to the Bondholders that such Bonds will not be converted to the Fixed Interest Rate on such Fixed Rate Conversion Date, but rather will be converted to the Weekly Interest Rate Mode, but such Bonds shall nevertheless be subject to mandatory purchase on such conversion date.

(4) The right of the Airline to consummate the fixed rate conversion option shall be contingent (i) upon its ability to obtain on or before the date of the notice required to be given by the Trustee to the Bondholders pursuant to (3) above, an opinion of Bond Counsel, dated as of the date of such notice, to be reaffirmed as of the Fixed Rate Conversion Date, that following the Fixed Rate Conversion Date, the Bonds continue to be the valid and binding obligations of the City and that the exercise of the conversion option will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes, and (ii) upon its ability to effect, on or before the 15th day before the Fixed Rate Conversion Date, the execution of a contract of purchase relating to the Bonds between the Airline and the Remarketing Agent or other underwriter or institutional investor, providing for the simultaneous

purchase of all such Bonds including all Unremarketed Bonds. The Airline's exercise of the fixed rate conversion option shall be deemed rescinded if all of the foregoing conditions are not satisfied or if the obligations incurred by the purchaser under the contract of purchase described in (ii) above are not fulfilled on the proposed Fixed Rate Conversion Date for any reason, in which event the Bonds shall remain in or be converted to the Weekly Interest Rate Mode and the Trustee shall promptly notify all Bondholders and the Credit Provider of such rescission. In the event of such rescission all such Bonds shall remain subject to mandatory purchase on the proposed Fixed Rate Conversion Date. In such event such Bonds shall be remarketed as Bonds in the Weekly Interest Rate Mode.

(5) Any Bond purchased by the Tender Agent pursuant to the terms of this Indenture from the date notice is required to be given by the Trustee to the Bondholders pursuant to paragraph (3) above to and including the proposed Fixed Rate Conversion Date shall not be remarketed unless the purchaser thereof has acknowledged receipt of a form of notice of conversion conforming to the requirements of paragraph (3) above. The Owner of each such Bond, by its purchase and acceptance of such Bond, irrevocably appoints the Tender Agent as its duly authorized attorney-in-fact for the purposes of assignment, endorsement, certification, execution or acknowledgement that such Owner is holding the Bond for the benefit of the purchaser or purchasers, registration of transfers and delivery of Bonds in the event of a mandatory purchase of such Bonds. The Tender Agent's power of attorney is coupled with an interest.

In the event of any purchase, any Undelivered Bond shall no longer evidence the debt of the City, and the holder thereof shall be entitled only to payment of the Purchase Price for the Undelivered Bond upon delivery thereof from the funds held in the Bonds Purchase Fund maintained by the Trustee.

(c) Conversion to Fixed Interest Rate Mode Final. After the Bonds have been converted to a Fixed Interest Rate Mode, no further conversions between Interest Rate Modes may be made with respect to the Bonds.

Section 215. Book-Entry System.

(a) The Trustee with the consent of the Airline, is hereby authorized to enter into a custody agreement with the Depository Trust Company as described below and establish a book-entry system for the registration of ownership of Bonds.

(b) Upon execution of the custody agreement referred to above, the Depository Trust Company ("D.T.C."), New York, New York, will act as

Book-Entry Depository for the Bonds. The ownership of one fully registered Bond for each stated Maturity of Bonds, each in the aggregate principal amount of such stated Maturity, will be registered in the name of Cede & Co., as nominee for D.T.C. Based upon D.T.C.'s representations, D.T.C. is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. Based upon D.T.C.'s representations, D.T.C. was created to hold securities of its participants (the "D.T.C. Participants") and to facilitate the clearance and settlement of securities transactions among D.T.C. Participants in such securities through a electronic book-entry changes in accounts of D.T.C. Participants, thereby eliminating the need of physical movement of securities certificates. Based upon D.T.C.'s representations, D.T.C. Participants include securities brokers and dealers, banks, trust companies that clear through or maintain a custodial relationship with a D.T.C. Participant, either directly or indirectly (the "Indirect Participants").

(c) Based upon D.T.C.'s representations, the book-entry system will operate as follows: the D.T.C. Participants shall receive a credit balance in the records of D.T.C. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") will be recorded through the records of the D.T.C. Participant. Beneficial Owners will receive a written confirmation of their purchase providing details of the Bonds acquired. Transfers of ownership interests in the Bonds will be accomplished by book-entries made by D.T.C. and, in turn, by the D.T.C. Participants who act on behalf of the Beneficial Owners. Beneficial Owners will receive certificates representing their ownership interest in the Bonds, except as specifically provided in this Indenture.

(d) So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of D.T.C., references herein to the Bondholders, holders of Bonds or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

(e) D.T.C. may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, Bond certificates are required to be delivered as described in this Indenture. The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Registered Owner of the Bonds.

(f) The Trustee, with the consent of the Airline may determine that continuation of the system of the book-entry transfers through D.T.C. (or a successor securities depository) is not in the best interests of the respective Beneficial Owners. In such event, Bond certificates will be delivered to the Registered Owners in accordance with instruction from D.T.C.

(g) The Trustee will recognize D.T.C. or its nominee as the Bondholder for all purposes, including notices and voting. Conveyance of notices and other communications by D.T.C. to D.T.C. Participants and Indirect Participants and by D.T.C. Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

(h) Principal, redemption, interest and purchase price payments on the Bonds will be made to D.T.C. or its nominee, Cede & Co., as Registered Owner of the Bonds. Upon receipt of moneys, D.T.C.'s current practice is to immediately credit the accounts of the D.T.C. Participants in accordance with their respective holdings shown on the records of D.T.C. Payments by D.T.C. Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such D.T.C. Participants or Indirect Participants and not of D.T.C., the Trustee, the Airline or the City, subject to any statutory and regulatory requirements as may be in effect from time to time.

Section 416. Credit Facility.

(a) The Credit Provider has delivered to the Trustee the Credit Facility for the Series 1990 Bonds which the Trustee hereby acknowledges is held for the equal and ratable benefit of the holders from time to time of the Series 1990 Bonds. The Credit Facility will not secure payment of any premium due and owing on optional redemption of the Series 1990 Bonds, unless the Credit Facility then in effect provides for draws thereunder to pay such premiums.

(b) As long as Bonds of any Series are in a Variable Interest Rate Mode, the Airline shall have the option from time to time to provide the Trustee with an alternate or replacement Credit Facility. Any alternate or replacement Credit Facility shall be effective on or before the Credit Facility Termination Date applicable to the Credit Facility being replaced and shall have a term ending at least fifteen (15) days after an Interest Payment Date for the Bonds secured by such Credit Facility and not sooner than one year after its date of issuance. On or before the delivery of any alternate or replacement Credit Facility to the Trustee, the Airline shall furnish to the Trustee (i) an opinion of Bond Counsel stating that delivery of such alternate or replacement Credit Facility to the Trustee is authorized under this Indenture, complies with the terms of this Indenture, and will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the affected Bonds, (ii) written evidence from Moody's or S. & P. (if such Bonds are then rated) to the effect that such rating agency has reviewed the proposed alternate or replacement Credit Facility and that the substitution of such alternate or replacement Credit Facility for the existing Credit Facility will not, by itself, result in a reduction of such rating agency's current rating on such Bonds or result in a rating of less than A-1 from S. & P. or P-1 from Moody's, and (iii) an opinion of counsel to the Credit Provider of such alternate or replacement Credit Facility that such alternate or replacement Credit Facility has been duly executed and delivered and is the legal, valid and binding obligation of such Credit Provider enforceable in accordance with its terms and addressing such other matters which the Trustee or the Remarketing Agent may reasonably request in form and substance reasonably acceptable to the Trustee and the Remarketing Agent. Upon receipt of notice of the Airline's intent to deliver an alternate or replacement Credit Facility, the Trustee shall give notice to the affected Bondholders of such event and effect a mandatory purchase of the Bonds pursuant to this Indenture simultaneously with acceptance of such alternate or replacement Credit Facility.

(c) If at any time there shall have been delivered to the Trustee an alternate or replacement Credit Facility, together with the other documents and opinions required by this Section 416, then the Trustee shall accept such alternate or replacement Credit Facility and promptly surrender the previously held Credit Facility to the Credit Provider thereof for cancellation. If at any time there shall cease to be any Bonds Outstanding under the Indenture secured by any Credit Facility, the Trustee shall promptly surrender the Credit Facility to the Credit Provider thereof for cancellation. The Trustee shall comply with the procedures, if any, set forth in the Credit Facility or the Credit Agreement therefor relating to the termination of such Credit Facility. The Trustee shall give written notice of such acceptance to all holders of affected Bonds, by first-class mail, postage prepaid, addressed to the last known address of each holder as shown on the bond register maintained by the Trustee, within thirty (30) days following such acceptance.

(d) The City agrees to cooperate to the extent necessary with the Airline, the Credit Provider and the Trustee in their defense of the Trust Estate against the claims and demands of any person, and will do, execute, acknowledge and deliver or cause to be done, such further acts, instruments and transfers as the Trustee or the Credit Provider may reasonably require for the better granting of the Trust Estate, including without limitation, execution and delivery of any financing statements and continuation statements.

Section 417. Creation And Use Of The Bond Purchase Fund.

(a) There is hereby created and ordered established with the Trustee a fund to be designated "Chicago-O'Hare International Airport Special Facility Revenue Bond Fund (Compagnie Nationale Air France Project)" (the "Bond Fund") as a separate fund not pledged for the payment of any Series of the Bonds, but held solely for the purpose of paying the Purchase Price of Bonds tendered for purchase on a Bond Purchase Date.

(b) Moneys in the Bond Purchase Fund shall be derived:

first -- from funds received from or on the direction of the Remarketing Agent from its sale of Bonds,

second -- from the proceeds of a draw on or other disbursement from any Credit Facility, and

third -- from payments by the Airline.

(c) Moneys held in the Bond Purchase Fund may be invested at the direction of the Airline in Investment Securities described in clauses (i) and (ii) of the definition thereof or otherwise rated not less than the then current rating on the Bonds that would enable the Trustee to pay any and all moneys in the Bond Purchase Fund by the end of the Business Day if presented with Tendered Bonds no later than [10:30 A.M.] New York City time on such Business Day or the next Business Day if presented after [10:30 A.M.] New York City time.

[One or more of the following defaults may be added to Section 801:]

(d) Failure to pay the Purchase Price of any Bond tendered for purchase in accordance with Section 919 hereof;

(e) Receipt by the Trustee of written notice from the Credit Provider within 10 days of a drawing on the Credit Facility that the amount available to pay interest on the Bonds is not being reinstated by the Credit Provider;

(f) Receipt by the Trustee of a notice from the Credit Provider stating that an Event of Default under the Credit Agreement has occurred and is continuing and that such notice is being delivered pursuant to this Section 801(f);

(g) An [Act of Bankruptcy] of the Credit Provider or if the Credit Facility becomes unavailable to the Trustee for any reason other than a wrongful dishonor by the Credit Provider of a draft on the Credit Facility by the Trustee; provided that no such occurrence shall constitute an event of default unless the Airline, within 60 days thereafter, shall fail to provide for an alternate or replacement Credit Facility meeting the requirements of this indenture; and provided further that the declaration of an Event of Default under this subsection and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation, or reorganization proceedings; or

(h) Wrongful dishonor by the Credit Provider of a draft on or other request for payment under the Credit Facility by the Trustee which has not been cured within five (5) Business Days.

[Section 802 is to reflect that acceleration may be subject to the consent of the Credit Provider. Such provisions are usually negotiated with the Credit Provider, and the provisions herein are typical rather than definitive.]

[Section 803.]

(d) Obligations of Trustee to Draw Under Credit Facility. Following acceleration of the Bonds and before exercising any remedy under this Indenture or the Agreement, or any other remedy available to the Trustee, the Trustee shall draw or request payment under the Credit Facility. Unless the Credit Provider has wrongfully dishonored a draft drawn by the Trustee under the Credit Facility, the Trustee shall accept the direction of the Credit Provider with respect to any other right or remedy available to the Trustee or the Bondholders under the Indenture. Notwithstanding any provision in this Indenture to the contrary, if there occurs an Event of Default described in Section 801(g) or (h), (i) any consents required of the Credit Provider before the taking of any action by the Trustee shall no longer be required, (ii) any directions which the letter of Credit Bank may give to the Trustee pursuant to this Indenture shall not be binding on the Trustee and (iii) any consent required of the Credit Provider which does not also require the consent of the Trustee shall only require the consent of the Trustee.

(e) Subject always to the provisions of paragraph (d), and without limiting the mandatory obligations of the Trustee under paragraph (d) and Section 802 (including the requirement to obtain the consent of the Credit Provider to accelerate the Bonds) upon the occurrence and during the continuance of any event of default, the Trustee shall have the power to, but unless requested in writing by the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the Trust Estate under the Indenture by any acts which may be unlawful or in violation of the Indenture and such suits and proceedings as the Trustee may be advised by Counsel shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

[Section 805.]

(d) After the Bonds have been paid in full with a draw upon the Credit Facility, any remaining moneys shall be paid to the Credit Provider to the extent necessary to reimburse the Credit Provider pursuant to the Reimbursement Agreement.

Section 810. Trustee And City Required To Accept Actions And Directions Of Airline And The Credit Provider.

(a) Whenever after a reasonable request by the Airline or the Credit Provider, the City shall fail to direct or to require the Trustee to take any other action which the City is required or permitted to have the Trustee take pursuant to the Agreement or the Indenture, the Airline or the Credit Provider instead of the City may so direct or require the Trustee to take any such action, and the Trustee is hereby irrevocably empowered and directed to accept such direction from the Airline or the Credit Provider as sufficient for all purposes of the Indenture. The Airline or the Credit Provider shall have the direct right to cause the Trustee to comply with its obligations under this Indenture to the same extent that the City is empowered so to do.

(b) The City and Trustee acknowledge that certain actions or failures to act by the City under the Indenture may create or result in an Event of Default under the Indenture and the City hereby agrees that the Airline or the Credit Provider may perform (but shall not be required to perform) any and all acts or take such action as may be necessary for and on behalf of the City to prevent or correct said Event of Default and the Trustee agrees that it shall take or accept such performance by the Airline or the Credit Provider as performance by the City in such event.

Section 811. Credit Facility.

(a) In the event of a declaration of acceleration under Section 802 of this Indenture, the Trustee shall draw on the Credit Facility on the same day the declaration of acceleration is made in the amount equal to the lesser of the amount available under the Credit Facility or in an amount required in order to provide for the timely payment in full of the principal and interest on the Bonds due or to become due by reason of interest on the Bonds due or to become due by reason of such acceleration and shall promptly take such actions and give such notice as may be required to pay or redeem the outstanding Bonds entitled to the benefits of such Credit Facility. By its terms a draw on the Credit Facility shall be honored no later than the Business Day after the date of the draw provided the draw is made in accordance with the time specified in the Credit Facility.

(b) Whether or not an Event of Default or a Default has occurred or is continuing, if the Trustee presents a draft under the Credit Facility for payment of principal of or interest on the Bonds but not for payment of the Purchase Price of Bonds which draft is honored by the Credit Provider and there are moneys in the Bond Fund, such moneys shall be paid to the Credit Provider for application against the obligations of the Airline under the Credit Agreement.

(c) If at any time during the term of the Credit Facility a successor Trustee shall be appointed and qualified under this Indenture and the Credit Facility is not transferable to the successor Trustee, the resigning Trustee shall request from the Credit Provider a substitute Credit Facility identical to the prior Credit Facility but addressed to and running in favor of the successor Trustee for the benefit of the holders of the available credit. If the resigning Trustee fails to make this request, the successor Trustee shall do so before accepting its appointment. Upon issuance of the substitute Credit Facility to the successor Trustee, the prior Credit Facility shall be returned and cancelled.

Section 916. Remarketing Agent.

The Airline shall appoint the Remarketing Agent for the Bonds, subject to the conditions set forth in Section 917 hereof. The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City and the Trustee.

Section 917. Qualifications Of Successor Remarketing Agent.

(a) Any Successor Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., having a capitalization of at least $15,000,000 and authorized by law to perform all the duties imposed upon it by this Indenture and shall be acceptable to the Credit Provider, which shall not unreasonably withhold its consent. The Remarketing Agent may resign and be discharged of the duties and obligations created by this Indenture by giving at least thirty (30) days notice to the City, the Airline, the Credit Provider, any rating agency then rating the Bonds, if any, and the Trustee. The initial Remarketing Agent may without consent of the other parties hereto, but upon thirty (30) days' notice to the City, the Airline, the Credit Provider, the Trustee, Moody's and the Tender Agent assign its rights, duties and obligations hereunder to [Smith Barney, Harris Upham & Co., Incorporated], upon which event [Smith Barney, Harris Upham & Co., Incorporated] shall become the Remarketing Agent hereunder with all rights, duties and obligations attached hereto. The Remarketing Agent may be removed by the Airline, by a certificate furnished to the City and the

Trustee designating a successor Remarketing Agent, subject to the provisions of the Remarketing Agent, shall mail notice to each of the Registered Owners of the Bonds.

(b) In the event of the resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor or, if there be no successor, to the Trustee.

(c) If the Remarketing Agent shall resign, or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under the control of any state or federal court of administrative body because of bankruptcy or insolvency, or for any other reason, and the Airline shall not have appointed its successor as Remarketing Agent, the Trustee, notwithstanding the provisions of the first paragraph of this Section 917, shall ipso facto be deemed to be the Remarketing Agent for all purposes of this Indenture until the appointment by the Airline of the successor Remarketing Agent; provided that the Trustee, in its capacity as Remarketing Agent, shall not be required to remarket Bonds.

Section 918. Adjustment Of Interest Rate.

So long as any Series of Bonds bear interest in a Variable Interest Rate Mode and before conversion to the Fixed Interest Rate Mode, on each Interest Rate Determination Date, the Remarketing Agent shall determine the interest Rate to be borne by such Bonds for the next succeeding Interest Period in accordance with Section 213 hereof. The Remarketing Agent shall communicate this rate telephonically or by facsimile on the Interest Rate Determination Date for such Bonds, with prompt written confirmation, to the Trustee, the Book-Entry Depository and the Airline. On the Business Day after the Trustee receives the Interest Rate on such Bonds, the Trustee shall notify the City, the Credit Provider and the Book-Entry Depository of the Interest Rate. Thereafter the Remarketing Agent and the Trustee shall provide the Interest Rate upon request.

Section 919. Purchases Of Bonds.

(a) Demand Purchase Option for Bonds in the Weekly Interest Rate Mode. Any Bond in the Weekly Interest Rate Mode (other than an Unremarketed Bond) shall be purchased, on the demand of the Holder thereof, on any Business Day selected by the Holder as hereinafter provided, at the Purchase Price of par plus accrued interest, only upon irrevocable written notice to the Remarketing Agent, received at its principal corporate office on a Business Day not later than seven (7) days before the specified purchase date (provided that if the seventh (7th) day succeeding the day the notice is received is not a Business Day, the purchase date may be set in said notice as the preceding Business Day). Such written notice shall (1) state the registration number and principal amount (or portion thereof) of such Bond to be purchased; (2) state the purchase date on which such Bond shall be purchased pursuant to this Section 919(a) and (3) irrevocably request such purchase. Any Bond to be so purchased must be delivered to the Tender Agent (with an appropriate transfer of registration executed in blank in form satisfactory to the Tender Agent and, if the holder desires payment of the Purchase Price by wire transfer, the wire transfer instructions on or before [10:30 A.M.] New York City time on the Purchase Date in order to receive same day payment of the Purchase Price. Any Bond not so delivered shall nevertheless be deemed purchased as provided below. Bonds may be required to be purchased pursuant to such notice in any Authorized Denomination, and Bonds of denominations in excess of the minimum Authorized Denomination may be so required to be purchased in part, provided, that no Bond may be so required to be purchased in part if such partial purchase would result in the principal amount of any Bond being outstanding in other than an Authorized Denomination. The Remarketing Agent shall promptly, but in no event later than [12:00 Noon] on the Business Day following the day such notice was received, provide the Trustee with facsimile notice of the receipt of the notice referred to in the preceding paragraph.

(b) Mandatory Purchase of Bonds under Certain Circumstances. On and before the Fixed Rate Conversion Date applicable to Bonds of any Series which bear interest in a Variable Rate Interest Mode, all of such Bonds, other than Unremarketed Bonds, are subject to mandatory purchase on any of the following Mandatory Purchase Dates:

(1) On the fifth day before the stated Credit Facility Termination Date (other than any expiration date resulting solely from the conversion of such Bonds to a Fixed Interest Rate and any expiration date when an alternate or replacement Credit Facility has been approved pursuant to Section 416 hereof and has become effective), or if such day is not a Business Day, the next preceding Business Day;

(2) On any Conversion Date with respect to such Bonds;

(3) On the fifth Business Day following receipt by the Trustee of a notice from the Credit Provider for such Bonds that an event of default under and as defined in the Credit Agreement of such Credit Provider has occurred and directing the Trustee to give notice of the mandatory purchase of all such Bonds; or

(4) On the fifth day before the applicable Credit Facility Termination Date when an alternate or replacement Credit Facility has been provided pursuant to Section 416 hereof and has become effective, or, if such day is not a Business Day, on the next preceding Business Day.

Notice of mandatory purchase pursuant to clause (1) or (4) of this Section 919(b) shall be mailed by the Trustee, not less than fifteen (15) days before the Mandatory Purchase Date. Notice of mandatory purchase pursuant to clause (3) of this Section 919(b) shall be communicated by the Trustee on the first Business Day after receipt by the Trustee from such Credit Provider of the notice described therein. In each case notice shall be mailed or otherwise communicated to the respective Owners of the affected Bonds at their addresses as maintained on the registration books. Each notice of mandatory purchase shall state the Mandatory Purchase Date and the place of mandatory purchase (which shall be the principal corporate office of the Tender Agent) and, with respect to mandatory purchases pursuant to clause (4) of this Section 919(b), that the holders may waive purchase upon filing of the instrument specified in paragraph (d) below. If the notice is given pursuant to clause (4) of this Section 919(b), the notice shall also describe the alternate or replacement Credit Facility and that the ratings assigned to the Bonds may be changed or withdrawn as a result of the substitution of the alternate or replacement Credit Facility. Each such notice or communication shall also state that on said date there will become due and payable on said Bonds the Purchase Price and that from and after the Mandatory Purchase Date, in the absence of the receipt of a valid Notice of Waiver of Purchase pursuant to paragraph (c) below (in the case of clause (4) above), interest thereon shall cease to accrue to the prior holder of the Bond to be purchased, and shall require such Bonds be then surrendered and shall state that, if not so surrendered, the Bonds will be deemed purchased in accordance with paragraph (e) below.

The owner of each such Bond, by its purchase and acceptance of such Bond, irrevocably appoints the Tender Agent as its duly authorized attorney-in-fact for the purposes of assignment, endorsement, certification, execution or acknowledgment that the Owner is holding such Bond for the benefit of the purchaser or purchasers, registration of transfers and delivery of Bonds in the event of a mandatory purchase of such Bonds. The Tender Agent's power of attorney is coupled with an interest.

In the event of any purchase, any Undelivered Bond shall no longer evidence the debt of the City, and the holder thereof shall be entitled only to payment of the Purchase Price for the Undelivered Bond upon delivery thereof from the funds held in the Bond Purchase Fund maintained by the Trustee.

(c) Waiver of Purchase. Any Owner may waive a purchase of a Bond on a Mandatory Purchase Date established or determined pursuant to clause (4) of Section 919(b), by delivery to the principal corporate office of the Remarketing Agent not later then the fifth day preceding such Mandatory Purchase Date, a written Notice of Waiver of Purchase of such Owner (1) directing that such Bond (or a portion thereof in any Authorized Denomination) not be purchased on such Mandatory Purchase Date, (2) agreeing not to sell such Bond before such Mandatory Purchase Date, (3) when applicable, agreeing not to exercise any tender option available to such Bond before such Mandatory Purchase Date, (4) acknowledging that such waiver is irrevocable, and (5) acknowledging that the rating assigned to the Bonds may be changed or withdrawn as a result of such change. Notwithstanding the foregoing, no waiver for any Mandatory Purchase Date occurring after the redemption date may be made with respect to any Bond that has been called for redemption.

(d) Remarketing of Unremarketed Bonds. Unremarketed Bonds may be remarketed in any Authorized Denomination at any time, provided that Bonds may only be remarketed as Bonds in the Interest Rate Mode then in effect for such Series of Bonds and provided that Unremarketed Bonds will not be released for remarketing until the Credit Facility has been reinstated (if the Credit Facility is still in effect) with respect to such Unremarketed Bonds.

(e) Undelivered Bonds. Any Bonds with respect to which the holder has given a notice of purchase to the Tender Agent as specified in Section 919(a) or which are required to be tendered for a purchase on a Mandatory Purchase Date to the Tender Agent that are not delivered on the Purchase Date, and for the payment of which there has been irrevocably deposited in trust in the Bond Purchase Fund an amount of money sufficient to pay the Purchase Price and any interest owing on the Purchase Date with respect to that Bond shall be deemed to have been purchased pursuant to this section, and shall be Undelivered Bonds. In the event of a failure by a Bondholder (other than a Bondholder who has given a valid and effective Notice of Waiver of Purchase as provided herein) to tender its Bonds on or before the required date, said holder of such Undelivered Bonds shall not be entitled to any payment other than the Purchase Price and any unpaid interest due on the Purchase Date and Undelivered Bonds in the hands of such non-delivering holder shall no longer accrue interest or be entitled to the benefits of this Indenture, except for the payment of the Purchase Price and any unpaid interest due on the Purchase Date; provided, however, that the indebtedness represented by such Bonds shall not be extinguished, and the Tender Agent shall transfer, authenticate and deliver such Bonds as provided below. The Tender Agent shall give telephonic or facsimile notice to the Trustee, promptly confirmed by mail, of all Undelivered Bonds. With the respect to any Undelivered Bond, the Tender Agent, acting hereunder and pursuant to the power of attorney granted by such Bondholder herein, shall do the following:

(1) Assign and register the transfer of such Bond to the purchaser or purchasers thereof;

(2) Authenticate and deliver a new Bond or Bonds, as appropriate, to the purchaser or purchasers thereof including the Airline, if appropriate;

(3) Execute and deliver to the Trustee an acknowledgement that the holder of Undelivered Bonds holds such Undelivered Bonds for the benefit of the new purchaser or purchasers thereof, who shall be identified in such acknowledgement:

(4) Promptly notify by first class mail the holder of such Undelivered Bond that:

(i) the Tender Agent has acted pursuant to such power of attorney to transfer the Undelivered Bond and to perform the other acts set forth in this Section;

(ii) the Undelivered Bond is no longer Outstanding; and

(iii) funds equal to the applicable Purchase Price plus any unpaid interest due on the Purchase Date for such Bond are being held on behalf of such holder pending presentation of the Undelivered Bond, without interest, in the Bond Purchase Fund established for such purpose by the Trustee;

(5) Notify the Trustee for entry on the Bond Register that the Undelivered Bond is no longer Outstanding;

(6) By Noon, on any Business Day on which an Undelivered Bond is presented to the Tender Agent, requisition the Trustee for the amounts necessary to pay the Purchase Price including, as to Bonds in the Weekly Interest Rate Mode, any unpaid interest due on the Purchase Date to such holder tendering such certificate. Bonds presented on or before 10:30 A.M., New York City time on any Business Day are to be paid on or before the close of business on that day. Bonds presented after 10:30 A.M. are to be paid on the next succeeding Business Day.

(7) The Tender Agent shall pay the Purchase Price to the tendering Bondholder by wire transfer if wire transfer instructions have been received or by check or draft or by such other means satisfactory to the Tender Agent and such holder.

By or before the close of business the Trustee shall pay the Purchase Price to the Tender Agent by wire transfer from money in the Bond Purchase Fund.

Prior holders of Bonds purchased or deemed purchased pursuant to this Section 919 shall not be entitled to interest thereon which accrues on and after the related Purchase Date; provided moneys are on hand in the Bond Purchase Fund to pay the Purchase Price and any unpaid interest due on the Purchase Date.

(g) Purchase of Tendered Bonds. On any Purchase Date (all times New York time):

(1) By or before [10:30 A.M.] the Remarketing Agent shall give facsimile notice to the Trustee, of the principal amount of Bonds of any Series subject to purchase on the Purchase Date which have not been remarketed by the Remarketing Agent at the time of notice.

(2) By [12:00 Noon] the Trustee, shall submit to the Credit Provider at the place specified in the Credit Facility appropriate documentation for a drawing or drawings under the Credit Facility in the amount equal to the Purchase Price of the Bonds required to be purchased on such Purchase Date which were not remarketed by the Remarketing Agent at the time of the notice provided pursuant to paragraph (1) above.

(3) By or before [10:30 A.M.] the Remarketing Agent shall notify the Tender Agent of the names, addresses, and delivery instructions for the purchaser of remarketed Bonds and the principal denominations of such Bonds.

(4) By or before [2:30 P.M.] the Credit Provider shall pay by wire transfer in immediately available funds the amount of the drawings properly made on such date to the Trustee for deposit in the Bond Purchase Fund.

(5) By or before [11:30 A.M.] the Remarketing Agent shall pay or cause to be paid by wire transfer of immediately available funds the purchase price of remarketed Bonds to the Tender Agent for payment to the tendering Bondholder as described below. Such payment for such remarketed Bonds will be effected by a delivery versus payment transaction between the purchaser and the Tender Agent.

(6) By or before [1:30 P.M.] the Tender Agent shall wire transfer the Purchase Price of remarketed Bonds which have not been tendered to the Trustee for deposit into the Bond Purchase Fund.

(7) In the case of Bonds not being settled by book-entry through the Book-Entry Depository by or before Noon, the Tender Agent shall notify the Trustee of all Tendered Bonds which have been delivered to the Tender Agent for purchase on such Purchase Date.

(8) Bonds purchased by the Tender Agent with proceeds of a draft drawn under the Credit Facility and not remarketed by the Remarketing Agent shall be owned by the Airline and be held by the Trustee in pledge for the benefit of the Credit Provider. For Bonds not remarketed but which have been tendered with the Tender Agent, (i) in the case of delivery via the Book-Entry Depository, the Tender Agent shall cause to

be delivered such Bonds versus payment to the Trustee (or agent of the Credit Provider) such Bonds to be held in pledge hereunder, or (ii) in the case of physical delivery, the Tender Agent shall cancel the purchased certificates and immediately advise the Trustee of such act, upon which the Trustee shall authenticate and register the Bonds, such Unremarketed Bonds to be registered by the Trustee in the name of the Credit Provider or its designee as Pledgee by the close of business that day.

(9) By or before the close of business the Tender Agent shall deliver such Bonds to the purchasers in accordance with the direction of the Remarketing Agent or such purchasers.

(10) By or before the close of business the Trustee shall pay the Purchase Price to the Tender Agent by wire transfer from money in the Bond Purchase Fund.

(11) The Tender Agent shall pay the Purchase Price to the tendering Bondholder by wire transfer if wire transfer instructions have been received or by check or draft or by such other means satisfactory to the Tender Agent and such holder.

(h) Unremarketed Bonds. On the date of the remarketing of any Unremarketed Bonds:

(1) By or before [10:30 A.M.] the Remarketing Agent shall notify the Trustee of the names, addresses, and delivery instructions for the purchasers of Unremarketed Bonds and the principal denominations of such Bonds.

(2) By or before [11:30 A.M.] the Remarketing Agent shall pay or cause to be paid by wire transfer of immediately available funds the purchase price of remarketed Unremarketed Bonds to the Trustee for deposit in the Bond Purchase Fund. In the case of book-entry settlement via the Book-Entry Depository, such payment for remarketed Unremarketed Bonds will be effected by a delivery versus payment transaction between the purchaser and the Trustee.

(3) The Trustee shall wire transfer such purchase price of remarketed Unremarketed Bonds to the Credit Provider to the extent the Credit Provider has not been reimbursed for the draw on the Credit Facility used to purchase such Unremarketed Bonds. Any remaining moneys after the Credit Provider has been reimbursed in full with respect to such remarketed Unremarketed Bonds shall be paid to the Airline.

If the Unremarketed Bonds are remarketed at less than par the Airline shall wire to the Trustee by [11:00 A.M.], Chicago, Illinois time, any moneys necessary to fully reinstate the Credit Facility upon the remarketing of such Unremarketed Bonds. The Trustee shall not register remarketed Bonds to the new bondholders unless it has been notified by the Credit Provider that the Credit Facility has been reinstated as to such Bonds.

Payment of the Purchase Price for Bonds tendered for purchase or deemed tendered for mandatory purchase shall be made on the relevant Bond Purchase Date as applicable only with the funds in the Bond Purchase Fund in the order described in Section 417; provided that upon receiving direction from the Credit Provider to purchase bonds pursuant to clause (3) of Section 819(b) hereof, the Trustee shall draw upon the Credit Facility and use such proceeds to purchase Bonds.

Bonds remarketed by the Remarketing Agent shall be delivered to the purchasers thereof. In each case the Tender Agent shall authenticate the Bonds delivered to the purchasers thereof.

The Remarketing Agent may, but is not obligated to, acquire for its own account any Bonds delivered to the Tender Agent but not resold. The Remarketing Agent may sell and/or purchase any Bonds for its own account at any time.

Section 920. Remarketing And Sale Of Bonds.

(a) Except as otherwise provided in the Remarketing Agreement, and with respect to all Unremarketed Bonds and all Bonds subject to purchase on a Bond Purchase Date other than Bonds subject to Mandatory Purchase pursuant to Section 919 which are not to be remarketed unless and until, in the case of any Mandatory Purchase Date arising pursuant to Section 919(b)(1) an alternate or replacement Credit Facility has become effective, or in the case of Section 919(b)(3) the Credit Provider has reinstated the Credit Facility, the Remarketing Agent shall offer for sale and use its best efforts to sell all such Bonds at a price equal to the principal amount thereof plus accrued interest, if any, and with an interest rate determined as provided in Section 212; provided that the Unremarketed Bonds may be remarketed at prices other than par, but no Unremarketed Bond shall be remarketed unless the Credit Facility has been or, upon receipt of remarketing proceeds, will be reinstated to the amount equal to the principal amount of all outstanding Bonds (other than Bonds remaining as Unremarketed Bonds) and [ ] days interest at the rate of [ ]% per annum. The Remarketing Agent shall promptly notify the Airline, the Tender Agent and the Trustee by telephone, confirmed in writing, of the remarketing of Unremarketed Bonds.

(b) The Trustee shall notify the Remarketing Agent promptly of any Event of Default and the Remarketing Agent may rely upon such notice absent manifest error in it. Any Bond purchased pursuant to Section 819 hereof during the period following notice of Conversion pursuant to Section 214 hereof or a notice of redemption pursuant to Section 602 hereof shall not be remarketed except to a purchaser who has acknowledged receipt of a form of notice of conversion or notice of redemption to the same effect as the notice to be given Bondholders pursuant to Section 214 hereof or Section 602 hereof, as the case may be.

(c) The proceeds of sale of any Bonds (other than Unremarketed Bonds) sold by the Remarketing Agent pursuant to Section 919(f) hereof shall be transferred by or at the direction of the Remarketing Agent by wire transfer in immediately available funds to the Trustee, for application in accordance with this Indenture. The proceeds of the remarketing of Unremarketed Bonds shall be transferred by or at the direction of the Remarketing Agent to the Credit Provider in immediately available funds on the date of remarketing in the manner as shall be specified by the Bank to the Remarketing Agent.

Anything in this Indenture to the contrary notwithstanding, there shall be no remarketing of Bonds which have been tendered or deemed tendered for purchase to this Article IX if there shall have occurred and be continuing an event of default under the Indenture.

Section 921. Tender Agent.

(a) The Tender Agent shall:

(1) Hold all Bonds delivered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective Bondholders who have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to or for the account of or to the order of such Bondholders.

(2) Hold all moneys delivered to it hereunder for the purchase of Bonds as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys, without liability for interest thereon, until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity or such moneys have been returned to the Trustee pursuant to Section 919(f)(5) hereof. All moneys received by the Tender Agent pursuant to this Indenture shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, shall be segregated from other funds and shall remain uninvested until applied for the purpose for which they are held by the Tender Agent.

(b) The Tender Agent may act upon any instrument or other writing believed by it in good faith to be genuine and to have been signed or presented by the proper person and shall not be liable to any person in connection with the performance of its duties hereunder, except for its own willful misconduct, negligence or bad faith. The Tender Agent's duties shall be determined only with reference to this Indenture or the Tender Agency Agreement dated as of even date herewith and applicable laws and no implied covenants or obligations shall be read into this Indenture against the Tender Agent. If in doubt as to its duties and responsibilities hereunder, the Tender Agent may consult with counsel of its choice and shall be protected in any action taken or omitted in connection with such duties and responsibilities upon the advice or opinion of such counsel, except as provided above with respect to its own willful misconduct, negligence or bad faith.

(c) The Tender Agent may at any time resign and be discharged of the duties and obligations created hereunder by giving at least 60 days written notice to the Airline, the Trustee, the Remarketing Agent, the Credit Provider, the Rating Agency then rating the Bonds and the City, specifying the date upon which such termination shall take effect. The Tender Agent may be removed at any time by the Airline by a written instrument filed with the Airline, the Trustee, the Remarketing Agent, the Credit Provider and the City. Upon the resignation or removal of the Tender Agent, the Tender Agent shall promptly pay over, deliver and assign any moneys and Bonds held by it in such capacity to its successor, or, if there is no such successor, to the Trustee.

(d) The Tender Agent consents and agrees to perform such duties and only such duties as are specifically set forth in this Indenture and the Tender Agency Agreement; provided that the Tender Agent shall use reasonable care in the custody and preservation of Bonds in its physical possession. The Tender Agent shall not be liable for loss, theft, damage or destruction of Bonds in the course of delivery, acceptance or transmission except when such Bonds are in the Tender Agent's physical possession. The Tender Agent shall not be liable for any negligence, default or insolvency of any agent or subagent of the Tender Agent. None of the provisions contained in this Indenture and the Tender Agency Agreement shall require the Tender Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any duties or in the exercise of any rights or powers hereunder or to take any actions not specifically set forth in this Agreement unless it shall have received reasonable security or indemnity against the costs, expenses and liabilities which would be incurred by its taking of such action.

(e) The Tender Agent may, in the course of performing its duties hereunder, make reasonable use of the United States Postal Service, insured and bonded private courier services and securities and funds processing, delivery and communication services and facilities provided by the Board of Governors of the Federal Reserve System, the Book-Entry Depository, the

National Securities Clearing Corporation and other clearing agencies, as defined in the Securities Exchange Act of 1934 as amended. In addition, the Tender Agent may perform any duties hereunder either directly or through agents or attorneys.

(f) The Tender Agent and its officers, directors and employees may acquire and hold, or become the pledgee of, the Bonds and otherwise deal with the Airline in the same manner and to the same extent and with like effect as though it were not the Tender Agent hereunder.

(g) If any dispute shall arise with respect to the delivery, ownership, right of possession and/or disposition of Bonds delivered to the Tender Agent hereunder or should any bona fide claim be made thereon by a third party, the Tender Agent, upon receipt of written notice of such dispute by the Airline or by a third party, is authorized and directed to retain possession of all or any such Bonds and/or proceeds until such dispute shall have been settled either by mutual agreement of the parties involved or by final order, decree or judgment of any court in the United States.

(h) The recitals contained herein and in the Bonds shall be taken as the statements of the Airline, and the Tender Agent assumes no responsibility for their accuracy or correctness. The Tender Agent makes no representations or warranties as to the validity or sufficiency of the Bonds or the Indenture and shall not have any liability under the terms and provisions of any other agreement other than this Indenture or the Tender Agency Agreement. The Tender Agent shall not be accountable for the use or application by the Airline of the Bonds or the proceeds thereof, or for the use of application of any moneys paid over by the Tender Agent to a Bondholder in accordance with any provisions of this Indenture or the Agreement. The Tender Agent's duties hereunder are ministerial in nature and payments to the Bondholders shall only be made if and to the extent that funds are made available under this Indenture.

(i) The Tender Agent may execute any of its power or responsibilities hereunder and exercise any rights hereunder either directly or by or through its agents or attorneys. Nothing in this Indenture or the Tender Agency Agreement shall be deemed to impose upon the Tender Agent any duty to qualify to do business or to act as fiduciary or otherwise in any jurisdiction other than the State of New York.

Special Facility Use Agreement
(Cargo Facility)

Dated As Of October 1, 1990

By And Between

City Of Chicago

And

Compagnie Nationale Air France.

The rights of the City of Chicago and the amounts payable to the City under this Special Facility Use Agreement (except the City's Unassigned Rights as defined in the Indenture of Trust hereinafter described and amounts payable to the City in respect thereof) have been pledged and assigned to Independence Bank of Chicago and The First National Bank of Chicago, as Trustees under the Indenture of Trust dated as of October 1, 1990, from the City to said Trustees, securing the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project).

This Special Facility Use Agreement, dated as of October 1, 1990, 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 Compagnie Nationale Air France, a corporation organized and existing under the laws of the Republic of France (the "Airline").

Witnesseth:

Whereas, The City owns and operates the Airport (defined in the Indenture hereinafter described) 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 the holder of a foreign air carrier permit duly issued under the Federal Aviation Act of 1958 as amended, authorizing it to operate in foreign air transportation to and from the City of Chicago and so operates at the Airport; and

Whereas, The City is in the process of implementing a major redevelopment of the Airport; and

Whereas, In relation to such redevelopment the City and the Airline now desire to provide for the payment of the costs of certain improvements constituting a cargo facility and certain improvements at the Airport (the "Project"), as more fully described in Exhibit A hereto, which have been provided by the City or are to be designed, constructed and installed by the Airline on behalf of the City and are to be leased, used and occupied by the Airline pursuant to the Site Lease; and

Whereas, By ordinance adopted by the governing body of the City in the exercise by the City of its powers as a home rule unit of local government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, the City has authorized and undertaken to issue its Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project) in one or more Series (the "Bonds"), under and pursuant to the provisions of, and to be secured by, an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project) dated as of October 1, 1990 (as it may be supplemented or amended, the "Indenture") from the City to Independence Bank of Chicago and The First National Bank of Chicago as Co-Trustees (as more fully hereinafter defined, collectively the "Trustee") for the purpose of financing part or all of the costs of the Project and, if hereafter deemed necessary or desirable by the City and the Airline and as authorized by amendment of or supplement to such ordinance, further improvements and other accessions thereto ("Additions"), including without limitation costs and expenses incidental to the Project and any Additions and to the issuance of each Series of the Bonds; and

Whereas, The City and the Airline have entered into a Cargo Building Site Lease dated as of [October 1], 1990, (as it may be amended, the "Site Lease") relating to the design, construction, installation, lease, use and occupancy of the Project; and

Whereas, The Airline has agreed under this Agreement to make payments hereunder sufficient to pay when due (whether at stated maturity, upon redemption, by acceleration or otherwise) the principal and purchase price upon tender, if any, of and interest and redemption premium, if any, on the Bonds; and

Whereas, The Airline has further agreed under this Agreement to make payments hereunder sufficient to pay when due the purchase price of any Bonds tendered by the holders thereof for purchase (whether optionally at the election of such holders or mandatorily) pursuant to the provisions of the Indenture permitting or requiring such tender, if any;

Now, Therefore, In consideration of the respective representations and agreements herein contained, the parties hereto agree as follows:

Article I.

Definitions.

All terms used herein that are defined in the Indenture shall have the same meanings assigned them in the Indenture unless otherwise defined herein or unless the context otherwise requires.

Article II.

Representations.

Section 2.1. Representations And Covenants By The City.

The City makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The City is a municipal corporation and home rule unit of local government, duly organized and existing under the laws of the State.

(b) The City is duly authorized and empowered by the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State to enter into the transactions contemplated by this Agreement, the Site Lease and the Indenture and to carry out its obligations hereunder and thereunder, including the issuance and sale of the Bonds. By enactment of the Authorizing Ordinance of its Governing Body, the City has been duly authorized to execute and deliver this Agreement, the Site Lease, the Indenture and the Tax Documents to which it is a party, and to issue and sell the Bonds.

(c) To provide for the financing of all or a portion of the costs of the Project and, if hereafter deemed necessary or desirable by the City and the Airline and as authorized by amendment of or supplement to the

Authorizing Ordinance, Additions thereto, including without limitation costs and expenses incidental to the Project and any Additions and to the issuance of each Series of the Bonds, the City intends to issue its Bonds in one or more Series on the terms and conditions specified in Article II of the Indenture.

(d) The Bonds are to be issued under and secured by the Indenture, pursuant to which certain of the City's interests in this Agreement and the Special Facility Revenues derived by the City pursuant to this Agreement (except Unassigned Rights and amounts derived by the City in respect thereof) will be pledged and assigned to the Trustee as security for payment of the principal of and interest and redemption premium, if any, on the Bonds.

(e) Neither the execution and delivery of this Agreement, the Site Lease and the Indenture, the issuance and sale of the Bonds, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Site Lease, the Indenture or the Bonds conflicts with or results in a material breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) The City has not assigned and will not assign any interest in this Agreement other than pursuant to the Indenture to secure the Bonds.

(g) In reliance on the representation of the Airline in Section 2.2(c) hereof, when duly executed by the authorized officers of the City and the Airline, this Agreement and the Site Lease will each constitute a valid, binding and enforceable obligation of the City, subject, as to enforceability, to applicable bankruptcy, moratorium, reorganization and other similar laws affecting creditors' rights generally and to applicable principles of equity (regardless whether such enforcement is sought in a proceeding in equity or at law).

(h) To the best knowledge of the City, no person holding office with the City, either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in any contract or the performance of any work, or has represented, either as agent or otherwise, any person, association, trust or corporation, with respect to any application or bid for, any of the contract of purchase with respect to the Series 1990 Bonds, the Indenture, the Site Lease or this Agreement, or any other document in connection with the foregoing upon which such officer may be called upon to act or vote.

(i) The City confirms its representations and covenants in Section 503 of the Indenture and in the Tax Documents, which relate, without limiting the foregoing, to the exemption of interest on the Bonds from inclusion in the gross income of Bondholders for federal income tax purposes.

(j) The City has duly granted the Airline, the Project and the Bonds an allocation of [Equipment Bond Amount] (1) with respect to obligations described in Section 1317(5)(B) of the Tax Reform Act of 1986 (P.L. 99-514), and (2) with respect to the volume cap applicable to certain private activity bonds as described in Section 146 of the Code.

Section 2.2. Representations By The Airline.

The Airline makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Airline is a corporation duly incorporated and in good standing under the laws of the Republic of France, is the holder of a foreign air carrier permit duly issued under the Federal Aviation Act of 1958 as amended, authorizing it to operate in foreign air transportation to and from the City of Chicago, has the power to enter into this Agreement and the Site Lease and by proper action has authorized the execution and delivery of this Agreement and the Site Lease.

(b) Neither the execution and delivery of this Agreement and the Site Lease, the consummation of the transactions contemplated hereby or thereby, not the fulfillment of or compliance with the terms and conditions of this Agreement and the Site lease, will result in a material breach of or will constitute a default under any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Airline is now a party or by which it or any of its property is bound, or will constitute a default under any of the foregoing, or will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Airline prohibited under the terms of any instrument or agreement.

(c) In reliance on the representation of the City in Section 2.1(g) hereof, when executed by the authorized officers of the City and the Airline, this Agreement and the Site Lease will each constitute a valid, binding and enforceable obligation of the Airline, subject, as to enforceability, to applicable bankruptcy, moratorium, reorganization and other similar laws affecting creditors' rights generally and to applicable principles of equity (regardless whether such enforcement is sought in a proceeding in equity or at law).

(d) The Project is to be located at the Airport, wholly within the boundaries of the Demised Premises (as defined in the Site Lease), except for parts of the fuel hydrant system and certain improvements by the City common to the Demised Premises and other nearby facilities.

(e) To the best knowledge of the Airline, no person holding office with the City, either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in any contract or the performance of any work, or has represented, either as agent or otherwise, any person, association, trust or corporation, with respect to any application or bid for, any of the contract of purchase with respect to the Series 1990 Bonds, the Indenture, the Site Lease or this Agreement, or any other document in connection with the foregoing upon which such officer may be called upon to act or vote.

(f) The Project consists and will consist of the capital improvements described in Exhibit A attached hereto and incorporated herein by this reference and no changes shall be made in the Project except as permitted by Section 3.1 hereof.

(g) The Airline has acquired or will acquire the use of the Project or portions thereof sufficient for its purposes.

(h) The Airline confirms its representations and covenants in Articles IV and XV of the Site Lease, which relate, without limiting the foregoing, to nondiscrimination and affirmative action in its use of the Demised Premises, in the construction of the Project, or in furnishing any of its services as a foreign air carrier.

Article III.

Acquisition And Completion Of The Project;
Issuance Of The Bonds.

Section 3.1. Agreement To Acquire.

(a) The Airline agrees to cause the Project to be designed, constructed and installed, such design, construction and installation to be in accordance with Exhibit A attached hereto, the Site Lease and Exhibits C and D attached thereto and the Plans and Specifications. If there is any supplement or amendment to the description of the Project in accordance with Exhibit C to the Site Lease or otherwise, the Commissioner and the Airline shall amend Exhibit A to this Agreement to reflect such supplement or amendment, which supplement or amendment shall not be considered as an amendment to this Agreement for the purposes of Article XI of the Indenture.

(b) Nothing contained in this section or in Exhibit A hereto shall (i) relieve the Airline from making the payments required to be paid pursuant to Article IV hereof, or (ii) permit the Airline to make any supplements or amendments to the description of the Project or the Plans and Specifications (including additions thereto or deletions therefrom) if such supplement or amendment would result in less than 95% of the proceeds of the Bonds being used to provide Qualified Airport Facilities.

Section 3.2. Agreement To Issue Bonds; Application Of Bond Proceeds.

(a) In order to provide for the financing of the Costs of the Project and any Additions, the City intends to sell and cause to be delivered to the purchasers thereof, against payment therefor, Bonds in an initial Series in the aggregate principal amount of [Initial Bond Amount] and, if hereafter deemed necessary or desirable by the City and the Airline and as authorized by amendment of or supplement to such ordinance, one or more additional Series of Bonds on the terms and conditions specified in the Indenture.

(b) Upon receipt of the proceeds from the sale of the Bonds (less any underwriters' discount and original issue discount), the City agrees to deposit such proceeds in the Construction Fund and the accounts and sub-accounts therein, the Debt Service Reserve Fund, the Bond Fund and any other applicable Fund, as provided in the Indenture.

Section 3.3. Disbursements From The Construction Fund.

(a) The City has authorized and directed the Trustee to disburse the moneys in the Construction Account of the Construction Fund to or at the direction of the Airline for the purpose of paying part or all of the Costs of the Project and any Additions.

(b) The Airline agrees that it will direct the Trustee to disburse moneys in the Construction Account of the Construction Fund to reimburse the City for expenditures relating to any items constituting part of the Costs of the Project and any Additions incurred by the City, whether before or after the date of issuance of any Series of Bonds.

(c) The Airline shall have the right to direct that all moneys remaining in the Construction Account of the Construction Fund (or any sub-account thereof) after the Completion Date of the Project or any Additions whose Costs are payable therefrom and after payment or provision for payment of all other items included in Costs of the Project or such Additions, all as the case may be, shall be used in accordance with Section 305 of the Indenture.

Section 3.4. Certificate Of Completion; Obligation Of Airline To Complete.

(a) The Airline agrees to notify the City and the Trustee promptly of the completion of the Project and of any Additions. Each Completion Date shall be evidenced to the Trustee and the City by a certificate signed by the Authorized Airline Representative setting forth the Cost of the Project or such Additions and stating:

(i) that construction of the Project or such Additions has been completed substantially in accordance with the Plans and Specifications applicable thereto and work orders therefor and all labor, services, materials and supplies used in such construction for which payment is due, have been paid for, and the date of such completion;

(ii) that all other facilities necessary in connection with the Project or such Additions have been constructed, acquired and installed in accordance with the Plans and Specifications applicable thereto and work orders therefor and all Costs incurred in connection therewith (other than Costs for which the Airline has withheld payment or for which payment is not yet due) have been paid; and

(iii) that at least 95% of the Aggregate Cost of the Project or such Additions, after taking into account amounts theretofore paid or reimbursed from the Construction Fund and amounts, if any, to be paid or reimbursed from the Construction Fund after the date of such certificate, is Qualified Costs of Construction.

Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being. It shall be the duty of the Airline to cause such certificate to be furnished to the Trustee and the City within a reasonable time after the Project or any Additions shall have been completed.

(b) If, after taking into account the proceeds of all Bonds issued or authorized to be issued therefor, the aggregate amount of moneys in the Construction Account in the Construction Fund (or the applicable sub-account therein) available for payment of the Costs of the Project or any Additions should not be sufficient to pay the costs thereof in full, the Airline agrees to pay directly, or to deposit in the Construction Fund moneys sufficient to pay, the Costs of completing the Project or such Additions as may be in excess of the aggregate amount of moneys available therefor in the Construction Fund (or the applicable sub-account therein). The City does not make any warranty, either express or implied, that the moneys that will be paid into the Construction Fund and that, under the provisions of this Agreement or otherwise, will be available for payment of the Costs of the Project or such Additions, will be sufficient to pay all the costs that will be incurred in that connection. The Airline agrees that if after exhaustion of the moneys in the Construction Fund the Airline should so pay, or deposit moneys in the Construction Fund for the payment of, any portion of the said Cost of the Project or such Additions pursuant to the provisions of this section, it shall not be entitled to any reimbursement therefor from the City or from the Trustee or from the Owners of any of the Bonds, nor shall it be entitled to any diminution of the amounts payable under Section 4.2 hereof.

Section 3.5. Authorized Airline Representative.

Before or concurrently with the sale of the Bonds and from time to time thereafter the Airline shall appoint a person as an Authorized Airline Representative for the purpose of taking all actions and making all certificates required to be taken and made by the Authorized Airline Representative under the provisions of this Agreement, and shall appoint one or more alternate Authorized Airline Representatives to take any such action or make any such certificate if the same is not taken or made by the person serving as the Authorized Airline Representative. If at any time no person is serving as the Authorized Airline Representative, the chief financial officer of the Airline in the United States shall be deemed to be the Authorized Airline Representative. Whenever under the provisions of this Agreement the approval of the Airline is required or the City is required to take some action at the request of the Airline, such approval or such request shall be made by the Authorized Airline Representative unless otherwise specified in this Agreement, and the City or the Trustee shall be authorized to act on any such approval or request and the Airline shall have no complaint against the City or the Trustee as a result of any such action taken.

Section 3.6. Investment Of Construction Fund And Bond Fund Moneys Permitted.

(a) As and to the extent provided in Section 501 of the Indenture, an Authorized Airline Representative may direct, which direction may be oral but shall be confirmed in writing, that any moneys held as a part of any of the Funds under the Indenture, other than the Rebate Fund, shall be invested or reinvested by the Trustee in Investment Securities as specified from time to time in such direction. The Airline shall not direct the Trustee to make any investments or reinvestments other than those permitted by law. In making any such investments, the Trustee may rely on directions delivered to it pursuant to this section by an Authorized Airline Representative or, in the case of oral directions, by a person representing himself to be an Authorized Airline Representative, and the Trustee shall be relieved of all liability with respect to making such investments in accordance with such directions.

(b) The Airline is hereby granted the right to purchase for cash investments on deposit in the Construction Fund at the prices and in the manner set forth in Section 501 of the Indenture. For the purposes of this section, any interest-bearing deposits, including certificates of deposit, issued by or on deposit with the Trustee shall be deemed to be investments and not deposits.

Section 3.7. Tax Covenants.

(a) The Airline covenants not to take any action, or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, would cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes, other than a holder who is a "substantial user" or "related person" within the meaning of such terms as defined in the Code.

(b) The Airline further covenants that it will not take any action or omit to take any action with respect to the investment of the proceeds of any Series of Bonds or with respect to Special Facility Revenues (including the payments derived under Section 4.1 of this Agreement) which would result in causing Bonds of any Series to constitute "arbitrage bonds' within the meaning of such term as defined in the Code.

(c) In furtherance of the covenants in this section, the Airline will execute any Tax Documents or amendments or supplements to this Agreement with respect to any Series of Bonds containing such representations and covenants as are deemed necessary or advisable in the opinion of Bond Counsel to insure that the Airline complies with the provisions of this section.

(d) As and to the extent permitted by Section 3.6 hereof and Section 501 of the Indenture, the Airline reserves the right to direct any investment of moneys in any of the Funds under the Indenture, other than the Rebate Fund, permitted by State law, if, when and to the extent that Section 148 of the Code or regulations promulgated thereunder or any similar or successor provisions thereto shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the written opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

(e) The Airline agrees to notify the Trustee and the City of the occurrence of any event of which the Airline has notice that would require the Airline to prepay the amounts due hereunder in accordance with Section 7.2 hereof.

Section 3.8. Use Of Leased Premises.

It is acknowledged that the City and the Airline have entered into the Site Lease providing for the lease by the Airline of the Leased Premises (including the Airline's right to use and occupy the Project) and that the Site Lease provides for the rental payments applicable to the Leased Premises and the rights of the Airline with respect to the Leased Premises. The Airline hereby confirms to the City, its representations, warranties, agreements and covenants under the Site Lease. Nothing herein shall limit the City's exercise of any right or remedy under the Site Lease in the event of a default thereunder by the Airline.

Article IV.

Payments Under This Agreement.

Section 4.1. Issuance Of Bonds And Other Obligations.

(a) In order to provide for the financing of the Project and any Additions, including Costs and expenses incidental thereto and to the issuance of the Bonds, the City hereby agrees to cause the proceeds received from the sale of any Series of Bonds to be deposited, disbursed and applied in accordance with Article III hereof.

(b) For and in connection with the right to lease, use and occupy the Project and any Additions under the Site Lease, and without affecting or diminishing in any manner or to any extent the payments required to be made by the Airline under and pursuant to the Site Lease, the Airline agrees to make all payments when due under Sections 4.2(a) and 7.3(b) hereof, which payments shall be sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds.

Section 4.2. Amounts Payable.

(a) The Airline agrees to make payments to the Trustee for the account of the City in the following amounts and on the following dates:

(i) with respect to any Series of outstanding Bonds, no later than 12:00 Noon, Chicago time, on each Interest Payment Date or other date upon which interest on such Series is payable, a sum (in funds immediately available to the Trustee) that, together with other moneys available therefor in the Capitalized Interest Account in the Construction Fund, the Interest Account in the Bond Fund, and in the Special Facility Revenue Fund, will equal the interest to be paid on such outstanding Bonds on such date;

(ii) with respect to any Series of outstanding Bonds, no later than 12:00 Noon, Chicago time, on each date on which principal of such Series is payable, at Stated Maturity, upon redemption, by acceleration or otherwise, a sum (in funds immediately available to the Trustee) that, together with other moneys available therefor in the Principal Account in the Bond Fund and in the Special Facility Revenue Fund, will equal the principal of and redemption premium, if any, on such outstanding Bonds that will become due and payable on such date; and

(iii) no later than 12:00 Noon, Chicago time, on the fifth (5th) Business Day after the Trustee shall have notified the City and the Airline that the balance in the Debt Service Reserve Fund (or any applicable Series Account therein) shall have become less than the Debt Service Reserve Requirement then in effect (whether for the Debt Service Reserve Fund as a whole or for such applicable Series Account therein), a sum (in funds immediately available to the Trustee) that, together with other moneys available therefor in the Debt Service Reserve Fund and the Special Facility Revenue Fund, will equal such Debt Service Reserve Requirement then in effect, provided that, if such deficiency shall arise solely as a result of a redetermination by the Trustee of the value of obligations or other investments in the Debt Service Reserve Fund (or such applicable Series Sub-Account therein) pursuant to Section 400(e) of the Indenture, the Airline shall not be required to make such payment unless, until and to the extent that such deficiency shall remain in existence on the first anniversary of such redetermination; provided that the obligation of the Airline to make any payment under clause (i) or clause (ii) above shall be reduced by the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the City on the Bonds. If pursuant to Section 409 of the Indenture the Airline shall furnish a letter of credit or surety bond policy for deposit in the Debt Service Reserve Fund in satisfaction of all or any portion of the Debt Service Reserve Requirement, the obligation described in clause (iii) above may be satisfied by restoring the deficit in the amount available under such letter of credit or surety bond policy in lieu of a cash payment.

(b) The Airline agrees to pay to the Trustee, promptly after receipt of any statement of the Trustee therefor, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of the Indenture: (i) an amount equal to the annual fee of the Trustee for the Ordinary Services (including reimbursement for fees and expenses of any co-trustee, authenticating agent or co-bond registrar) rendered by it and Ordinary Expenses, including legal fees and expenses, incurred by it under the Indenture, as and when the same become due, (ii) the reasonable fees, charges and expenses of the Trustee, as Bond Registrar and Paying Agent, as and when the same become due, (iii) the reasonable fees, charges and expenses of the Trustee for reasonable and necessary Extraordinary Services and Extraordinary Expenses, including legal fees and expenses, as and when the same become due (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), (iv) the printing and engraving costs of any Bond required by the Trustee from time to time, and (v) the amount of any indemnity to which the Trustee may from time to time be entitled pursuant to the provisions of Section 903 of the Indenture.

(c) The Airline will pay as and when the same become due, to the extent not paid from proceeds of the Bonds, to the City, the reasonable costs and expenses, including legal fees, that may be incurred by the City in connection with this Agreement or in connection with the performance of any covenants, duties or obligations under this Agreement or the Indenture, including without limitation any obligations pursuant to Article VII of the Indenture, provided that nothing contained in this Section 4.2(c) or in Section 4.2(d) or Section 5.4 hereof shall require that the Airline pay, or indemnify or reimburse the City for the payment of, legal fees or expenses paid or incurred by the City if and to the extent that such legal fees or expenses shall have resulted from the active negligence or willful misconduct of the City, nor shall any such legal fees or expenses be deemed Administrative Expenses hereunder or under the Indenture.

(d) The Airline will pay as and when the same become due, to the extent not paid from proceeds of any Series of Bonds, all other Administrative Expenses not included in subsections (b) and (c) above hereinafter arising pursuant to this Agreement or the Indenture, including without limitation the reasonable fees, charges and expenses of any Tender Agent with respect to any Bonds which may from time to time become Tendered Bonds.

(e) If for any reason moneys in the Rebate Fund on any date on which amounts are to be paid therefrom pursuant to the provisions of the Tax Documents are insufficient to pay the amounts then due, the Airline shall pay, and hereby unconditionally agrees to pay, to the Trustee for the account of the City for deposit into the Special Facility Revenue Fund, until the principal of and interest on such Series shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in funds immediately available to the Trustee, (i) such sum as shall be necessary, together with other moneys in the Bond Fund available for the purpose, to pay the amount payable on any such date as interest on such Series as provided in the Indenture, and (ii) such sum as shall be necessary, together with other moneys in the Bond Fund available for the purpose, to pay the amount payable on any such date as principal of such Series as provided in the Indenture.

(f) If the Airline shall fail to make any of the payments required in this Article IV with respect to any Bonds, the payment so in default shall continue as an obligation of the Airline until the amount in default shall have been fully paid and the Airline will pay interest on any overdue principal and, to the extent permitted by law, on overdue interest, at the rates borne by the Bonds during such time until paid.

Section 4.3. Payments Pledged And Assigned.

It is understood and agreed that all payments required to be made by the Airline pursuant to Section 4.2 hereof (except payments to be made to the Trustee pursuant to Section 4.2(b) hereof and payments to be made to the City pursuant to Section 4.2(c) hereof) and certain rights of the City hereunder (except its Unassigned Rights) are pledged and assigned to the Trustee by the Indenture. The Airline consents to such pledge and assignment. The City hereby directs the Airline and the Airline hereby agrees to pay or cause to be paid to the Trustee all such amounts required to be paid by or for the account of the Airline pursuant to Section 4.2 hereof (except payments to be made to the City pursuant to Section 4.2(c) hereof). Neither the Site Lease nor the Leased Premises will constitute any part of the security for the Bonds.

Section 4.4. Obligations Of Airline Hereunder Unconditional.

The obligations of the Airline to make the payments required in Section 4.2 and Section 4.6 hereof and to perform and observe the other covenants on its part contained herein shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim, abatement or otherwise and until such time as the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Airline (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Section 4.2 and Section 4.6 hereof, (ii) will perform and observe all of its other covenants contained in this Agreement, and (iii) will not suspend the performance of its obligations hereunder for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of or a defect of title to the Leased Premises or any part thereof, eviction or constructive eviction, destruction of or damage to the Leased Premises, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, or any failure of the City to perform and observe any covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section shall be construed to release the City from the performance of any of the covenants on its part herein contained; and if the City shall fail to perform any such covenant on its part, the Airline may institute such action against the City as the Airline may deem necessary to compel performance, provided that no such action shall (a) violate the covenants on the part of the Airline contained in the first sentence of this Section 4.4, or (b) diminish the payments and other amounts required to be paid by the Airline pursuant to Section 4.2 and Section 4.6 hereof. The Airline may, however, at its own cost and expense and in its own name or in the name of the City (provided the City is a necessary party), prosecute or defend any action or proceeding or take any other action involving third persons that the Airline deems reasonably necessary in order to secure or protect its rights hereunder; and in such event the City agrees to cooperate fully with the Airline and to take all action necessary to effect the substitution of the Airline for the City in any such action or proceeding if the Airline shall so request.

Section 4.5 Payment And Redemption Of The Bonds From Payments Hereunder.

(a) The Bonds shall be payable from payments made by the Airline to the Trustee, as assignee of the City, under Section 4.2(a) hereof. Payments of principal of or interest or redemption premium, if any, on any Series of Bonds with moneys in the Bond Fund, the Construction Fund or the Debt Service Reserve Fund constituting proceeds from the sale of the Bonds or earnings on investments made under the provisions of the Indenture shall be deemed to be like payments with respect to the amounts due under Section 4.2(a) hereof and shall be credited against the obligation to pay amounts due under Section 4.2(a) hereof.

(b) Whenever any Bonds are redeemable in whole or in part at the option of the Airline, the Trustee, on behalf of the City, shall redeem the same upon the request of the Airline and such redemption shall constitute payment of amounts due under Section 4.2(a) hereof equal to the aggregate principal amount of and redemption premium, if any, on Bonds so redeemed and payment of amounts due under Section 7.3(b) hereof equal to the redemption price (including any premium) of such Bonds.

(c) Whenever payment or provision therefor has been made in respect of the principal of or interest or redemption premium, if any, on all or any portion of any Series of Bonds in accordance with the Indenture (whether at Stated Maturity or upon redemption or acceleration or upon provision for payment in accordance with Article XII of the Indenture), the amounts due under Sections 4.2(a) and 7.3(b) hereof shall be deemed paid to the extent such payment or provision therefor has been made and is considered to be a payment of principal of or interest or redemption premium, if any, on such Series. If Bonds of such Series are thereby deemed paid in full, the Trustee shall notify the Airline that such payment requirements have been satisfied. Subject to the foregoing, or unless the Airline is entitled to a credit under this Agreement or the Indenture, all payments shall be in the full amounts required under Sections 4.2(a) and 7.3(b) hereof.

Section 4.6. Additional Payment Obligations Of The Airline; Credit Facility.

(a) In addition to the payments required to be made by the Airline pursuant to Section 4.2 hereof, the Airline agrees to pay to the Trustee, no later than [12:00 Noon], New York City time, amounts sufficient to pay the Purchase Price of any Tendered Bonds on the date such Tendered Bonds are to be purchased pursuant to the applicable provisions of the Indenture; provided that the obligation of the Airline to make such payment hereunder with respect to the Purchase Price of Tendered Bonds shall be reduced by the amount of any moneys available for such payment from the remarketing of such Tendered Bonds. All such payments shall be made to the Trustee at is designated office in lawful money (immediately available) of the United States of America. The Airline directs the Trustee to apply such amounts to reimburse the Credit Provider for any such Series of Bonds for amounts drawn or otherwise provided under the Credit Facility for such Series to purchase such Tendered Bonds to the extent provided in the Indenture; otherwise, to apply such amounts for the purpose for which they are paid. The Airline agrees that it shall not purchase, or permit any affiliate to purchase, any Bonds being remarketed by the Remarketing Agent.

(b) From the date of the original issuance and delivery of any Series of Bonds which may be Tendered Bonds to and including the Conversion Date whereupon no Bonds of such Series may thereafter become Tendered Bonds, the Airline agrees to provide for the payment of the amounts to be paid by the Airline pursuant to Section 4.6(a) by delivery to the Trustee of a Credit Facility for such Series of Bonds satisfying the requirements therefor provided in the Indenture with respect to such Series simultaneously with the original issuance and delivery of such Series. The Airline hereby authorizes and directs the Trustee to draw or otherwise obtain moneys under any such Credit Facility in accordance with the provisions of the Indenture to the extent necessary to make payments of the Purchase Price of Bonds of any such Series when such Purchase Price is from time to time due and payable.

(c) With respect to any Series of Bonds or portion thereof for which the applicable provisions of the Indenture shall so require, the Airline agrees to deliver to the Trustee simultaneously with the original issuance and delivery of such Series a Credit Facility for such Series of Bonds satisfying the applicable requirements of the Indenture and to maintain such Credit Facility, or to provide an alternate or substitute Credit Facility for such Series of Bonds satisfying such applicable requirements at all times as long as the Indenture shall so require. Any alternate or substitute Credit Facility for any Series of Bonds shall be effective on or before the date of expiration of the prior Credit Facility for such Series, and shall have a term ending at least fifteen (15) days after an Interest Payment Date and not sooner than one year after its date of issuance. In connection with furnishing any alternate or substitute Credit Facility for any Series of Bonds, the Airline agrees to provide such opinions of Bond Counsel and Counsel to the Credit Provider of such Credit Facility and such written evidence from the Rating Agency rating the Bonds of such Series, if any, with respect to the effect of the furnishing of such alternate or substitute Credit Facility on the rating of the Bonds of such Series as shall be required pursuant to the Indenture. The Airline shall not be required to maintain or provide a Credit Facility to secure the payment of the Purchase Price of any such Series of Bonds after such Conversion after which no Bonds of such Series may become Tendered Bonds.

Article V.

Special Covenants.

Section 5.1. No Liability Of City.

The Bonds shall be limited obligations of the City payable solely out of the Special Facility Revenues derived from this Agreement. No holder of any Bond shall have the right to compel any exercise of the taxing power of the City or the State or any political subdivision thereof to pay the Bonds or the interest thereon, and the Bonds shall not constitute an indebtedness of the City or the State or any political subdivision thereof or a loan of credit thereof within the meaning of any constitutional or statutory provision or limitation of indebtedness applicable to the City.

Section 5.2. Financial Information Of Airline.

The Airline agrees to furnish to the City and the Trustee a copy of its audited annual report setting forth its financial statements prepared following generally accepted accounting principles (in accordance with the new French Chart of Accounts, the Act of April 30, 1983, the implementing Decree of November 29, 1983 and the 4th Directive of the European Economic Community) on a basis consistent with its audited annual report for the year ended December 31, 1989 and the report of the independent public accountants with respect thereto. Such annual report shall be furnished to the City and the Trustee as soon as it becomes publicly available, but in no event later than 270 days after the end of the Airline's fiscal year. The Airline also agrees to furnish to the City and the Trustee a copy of each of its unaudited semi-annual reports prepared following generally accepted accounting principles (in accordance with the new French Chart of Accounts, the act of April 30, 1983, the implementing Decree of November 29, 1983 and the 4th Directive of the European Economic Community) on a basis consistent with its audited annual reports as soon as each such report becomes publicly available, but in no event later than 180 days after the end of the applicable semi-annual fiscal period of the Airline. Upon request of the City or the Trustee, the Airline will furnish copies of any other of its financial statements and reports which it makes publicly available. The Airline agrees that it will furnish all of the foregoing to the Trustee in a sufficient number of copies to permit the Trustee to distribute copies thereof to all holders of the Bonds that from time to time request such copies.

Section 5.3. Airline To Maintain Its Corporate Existence; Conditions Under Which Exceptions Permitted.

The Airline agrees that during the term of this Agreement it will maintain in good standing its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it, unless the resulting, surviving or transferee corporation, as the case may be, is a solvent corporation and, concurrently with such transaction, if the Airline is not such resulting, surviving or transferee corporation, (a) irrevocably and unconditionally assumes in writing, by means of an instrument delivered to the City and the Trustee, and agrees to perform, all of the obligations of the Airline herein, and, (b) if such corporation is not organized and existing under the laws of the United States or any State or territory thereof or the District of Columbia, delivers to the City an irrevocable consent to service of process and jurisdiction substantially similar to Section 8.9 hereof.

Section 5.4. Indemnification Covenant.

(a) The Airline hereby confirms its obligations pursuant to Section 10.03 of the Site Lease and further agrees that such obligations shall extend in addition (1) to any and all liabilities, losses, damages, costs and expenses (including reasonable attorney's fees and expenses), causes of action, suits, claims, demands, judgments, awards and settlements arising out of any violation by the Airline of any agreement, warranty, covenant or condition of this Agreement or of any other document executed and delivered by the Airline pursuant to the Indenture or in connection with the issuance, payment, administration or maintenance of the Bonds and (2) to the Trustee, its agents, representatives and employees (except, in each case, to the extent caused by the active negligence or willful misconduct of the City or the Trustee or both of them, their agents, representatives or employees as determined by a final judicial proceeding).

(b) 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 pursuant to the foregoing subsection (b), 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 (1) such employment has been specifically authorized by the Airline or (2) the City or the Trustee, as the case may be, shall have been advised by Counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Airline (in which case the Airline shall not have the right to assume the defense of such action on behalf of the City or the Trustee, as the case may be).

(c) The indemnity provided for in this Section 5.4 shall be independent of any indemnities to which the City may be entitled under the provisions of the purchase agreement with respect to any Series of Bonds and any other agreements between the City and the Airline.

Section 5.5. Redemption Of Bonds.

If the Airline is not in default in the payments under Section 4.2 and Section 4.6 hereof, the City, upon reasonable assurance from the Airline that the Airline shall make sufficient moneys available to pay the redemption price (including any premium) of any Bonds designated by the Airline for redemption, at the request at any time of the Airline and if the same are then callable, shall forthwith take all steps that may be necessary under the provisions of the Indenture to effect redemption of all or a portion of the then outstanding Bonds, as may be specified by the Airline, on the earliest redemption date on which such redemption may be made under such applicable provisions.

Section 5.6. Assignment.

This Agreement may be assigned in whole or in part by the Airline only in conjunction with a corresponding assignment of the Site Lease pursuant to Section 1.05 thereof and with the written consent of the City, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 5.3 hereof with respect to the Airline) shall relieve the Airline from liability for any of its obligations hereunder, and in the event of any such assignment the Airline shall continue to remain liable for payment of the amounts specified in Section 4.2 and Section 4.6 hereof and for performance and observance of the other covenants, warranties, representations and agreements on its part herein provided to be performed and observed to the same extent as though no assignment had been made;

(b) The assignee shall assume, in writing, the obligations of the Airline hereunder to the extent of the interest assigned; and

(c) The Airline shall, at least five (5) days before any such assignment, provide the City and the Trustee with written notice thereof and promptly, but in any event no later than thirty (30) days, after any such event, furnish or cause to be furnished to the City and to the Trustee a true and complete copy of such assignment and two (2) executed counterparts of an assumption of obligations agreement.

Section 5.7. Taxes On The Special Facility Revenues.

If any taxes, assessments or other charges are levied on the City with respect to the moneys and other payments to be paid to the City under Section 4.2 hereof, which taxes create a lien thereon that is before the lien of the Trustee pursuant to the Indenture, the Airline agrees to pay the same promptly and to hold the City harmless therefrom. If the Airline shall pay any such tax, assessment or other charge, the Airline shall be subrogated to the City's right, if any, to contest the validity of the levy of such tax, assessment or other charge and shall be entitled to recovery, as compensatory damages, of an amount up to the amount of such tax, assessment or other charge so paid by the Airline plus, to the extent permitted by law, the amount of legal fees incurred in connection with such contest.

Section 5.8. Insurance; Damage Or Destruction Of The Demised Premises.

The City and the Airline confirm their agreements and covenants with respect to insurance set forth in Article VIII of the Site Lease.

Section 5.9. Condemnation.

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

(b) Net Proceeds. The Airline acknowledges that it is required to use any proceeds of any condemnation award or other amount received by the Airline on account of or in connection with any condemnation, taking or other proceeding that deprives the Airline of the use and occupancy of all or part of the Leased Premises, to the extent such proceeds are not used to rebuild, or to acquire any comparable facility to replace such part or all of the Leased Premises, to redeem Bonds pursuant to Section 7.2 hereof and Section 601(c) of the Indenture.

Section 5.10. Certain Reimbursements By The City.

The Airline hereby recognizes that pursuant to Section 4.01 of the Site Lease, the Airline may receive reimbursement for the Airline's cost of installing certain Common Improvements (as defined in the Site Lease), which cost is or shall be intended to be paid out of the proceeds of the sale of Bonds. The Airline hereby covenants and agrees that, if and when the Airline receives any such reimbursement, the Airline will pay to the Trustee, as soon as practicable after receipt of such reimbursement, for optional prepayment of the amounts payable hereunder and redemption of the Bonds pursuant to Section 601(a) of the Indenture, on the earliest date on which Bonds are redeemable at a price of 100% of the principal amount thereof (and without premium), to the extent such reimbursement relates to Costs of the Project for which moneys in the Construction Account of the Construction Fund were disbursed pursuant to Section 304 of the Indenture, the excess, if any, of (a) the aggregate amount of all such reimbursements related to such Costs of the Project over (b) the aggregate amount of moneys not obtained through the issuance of Bonds which the Airline has applied, or intends to apply, to payment of such Costs of the Project. Notwithstanding the foregoing sentence, the Airline shall not be obligated to apply any such reimbursements to prepayment of amounts payable hereunder with respect to, and to the redemption of, any Series of Bonds the proceeds of which shall not have been used or be intended to be used for the payment of such costs.

Article VI.

Events Of Default And Remedies.

Section 6.1. Events Of Default Defined.

The occurrence of any one or more of the events described in the following subsections (a) through (d) of this Section 6.1 shall constitute a "default" for all purposes of this Agreement; and each such default shall, after the giving of notice, if any, passage of time, if any, or occurrence of an event, if any, specified in the subsection describing such default, constitute an "event of default" for all purposes of this Agreement:

(a) If the Airline fails to pay when due any amounts required to be paid in accordance with clauses (i) and (ii) of Section 4.2(a), Section 4.6(a) and Section 7.3(b) hereof, which failure continues for a period of five (5) Business Days and results in an event of default under subparagraph (a) or subparagraph (b) of Section 801 of the Indenture; or

(b) If the Airline fails to pay when due any amounts required to be paid or to otherwise satisfy its obligations pursuant to clause (iii) of Section 4.2(a) hereof, which failure continues for a period of five (5) Business Days; or

(c) If the Airline fails to provide or maintain in effect any Credit Facility required by the Indenture for any Series of Bonds, and such failure results in an event of default under Section 801 of the Indenture; or

(d) If the Airline materially breaches any of its representations or warranties made in this Agreement or fails to observe and perform any of its covenants, conditions or agreements made on its part to be observed or performed hereunder, other than as referred to in subsections (a) and (b) of this section, for a period of sixty (60) days after written notice specifying such breach or failure and requesting that it be remedied, given to the Airline by the Trustee or, with regard to Unassigned Rights, the City, unless (i) the Trustee or, with regard to Unassigned Rights, the City, shall agree in writing to an extension of such time before its expiration, or (ii) if the breach or failure be such that it can be corrected but not within the applicable period, corrective action is instituted by the Airline within the applicable period and is being diligently pursued; or

(e) If the Airline is dissolved or liquidated, or admits in writing its inability to meet its debts as they mature, or makes an assignment for the benefit of its creditors, or enters into an agreement of composition with its creditors, or files a voluntary petition in bankruptcy or commences any similar proceeding with respect to adjudicating or adjusting the rights of its creditors or any similar relief from its obligations before any court, governmental agency or other tribunal having jurisdiction over the bankruptcy, insolvency or reorganization of the Airline or the rights of its creditors generally (a "Bankruptcy Tribunal"); or if an order for relief under Title 11 of the United States Code, as the same may from time to time be hereafter amended, or any similar act by any other Bankruptcy Tribunal is entered, taken or issued against the Airline; or if a petition or answer or equivalent instrument proposing the entry of an order for relief against the Airline under Title 11 of the United States Code, as the same may from time to time be hereafter amended, or proposing the reorganization, arrangement, or debt readjustment of the Airline under any present or future bankruptcy act or any similar federal or state law in any court or under any similar law of the Republic of France in any other Bankruptcy Tribunal is filed or a similar proceeding is commenced with respect to the Airline and such petition or answer or proceeding is not discharged or denied within ninety (90) days after such filing or the commencement of such proceeding; or if a custodian (including, without limitation, a receiver, trustee, liquidator or similar fiduciary) is appointed for all or a substantial part of the property of the Airline, and is not discharged within ninety (90) days after such appointment; or if any such custodian takes possession of the Airline or a substantial part of its property, and such taking fails to be discharged within ninety (90) days thereafter; or if the Airline consents to or acquiesces in or takes any action in furtherance of any of the foregoing. The term "dissolution or liquidation of the Airline," as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Airline resulting from a merger or consolidation of the Airline into or with another corporation or a dissolution or liquidation of the Airline following a transfer of all or substantially all of its assets, under the conditions permitting such actions contained in Section 5.3 hereof.

The foregoing provisions of Section 6.1(d) are subject to the following limitations: If by reason of force majeure the Airline is unable in whole or in part to carry out its agreements on its part herein contained other than the obligations on the part of the Airline contained in Article IV, Section 4.6 and Section 5.4 hereof the Airline shall not be deemed in default during the continuance of such inability. The Airline agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Airline from carrying out its agreements; provided that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Airline and the Airline shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of the opposing party or parties when such course is in the sole judgment of the Airline unfavorable to the Airline; and provided further that a breach of the covenants set forth in Section 3.7 hereof or of any other covenant with respect to the tax exempt status of interest on the Bonds shall not constitute an event of default subject to acceleration hereunder.

Section 6.2. Remedies On Default.

(a) Whenever any event of default referred to in Section 6.1 hereof shall have occurred and be continuing, the Trustee, as assignee of the City (other than with respect to Unassigned Rights):

(i) shall, by notice in writing to the Airline upon the occurrence and continuation of an event of default described in clause (a), clause (b), or clause (c) above and without notice to the Airline upon the occurrence and continuation of an event of default described in clause (d) above, declare all amounts payable under this Agreement to be due and payable immediately, but only if concurrently with or before such notice the unpaid principal amount of the Bonds shall have been declared to be due and payable, and upon any such declaration the same (being an amount sufficient, together with other moneys available therefor in the Special Facility Revenue Fund, the Debt Service Reserve Fund and the Bond Fund, to pay the unpaid principal of and interest and redemption premium, if any, accrued on the Bonds) shall become and shall be immediately due and payable; and

(ii) may take whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due hereunder or to enforce performance and observance of any obligation, agreement or covenant of the Airline under this Agreement; provided that the Trustee, assignee pursuant to the Indenture of certain of the City's rights hereunder, shall not have or be entitled to exercise any rights of entry, re-entry, eviction, reletting, or similar rights with respect to the Project or the Leased Premises, all such rights generally being exercisable solely by the City pursuant to the Site Lease, except to the extent of certain rights to cure certain defaults and replace the Airline with another tenant of the Leased Premises provided in Section 12.01(c) of the Site Lease. The Airline acknowledges that rents payable by any such replacement tenant shall be applied first to satisfy its obligations under the Site Lease and only the excess, if any, shall be available for payment of its obligations hereunder with respect to payment of principal and interest on the Bonds, as provided in such section of the Site Lease. The City and the Airline agree that any such excess rents may be deemed Special Facility Revenues under the

Indenture and this Agreement and, to the extent they are paid to the Trustee, shall be deposited in the Special Facility Revenue Fund and credited against the amounts payable by the Airline pursuant to Section 4.2(a) hereof.

(b) Any amounts collected pursuant to action taken under this section shall be paid into the Special Facility Revenue Fund (unless otherwise provided in this Agreement) and applied in accordance with the provisions of the Indenture. No action taken pursuant to this Section 6.2 shall relieve the Airline from the Airline's obligations pursuant to Section 4.2 hereof.

(c) Notwithstanding the foregoing provisions of this Section 6.2, if and to the extent that any event of default referred to in Section 6.1(c) hereof shall have resulted from the failure on the part of the Airline to observe or perform any covenant, condition or agreement on its part to be observed, or performed pursuant to the provisions of this Agreement relating to the City's Unassigned Rights, the City shall be entitled in its own name and for its own account, to the exclusion of any exercise by the City of any other remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute (but without affecting or limiting any of the City's rights or remedies under the Site Lease), to institute such action against the Airline as the City may deem necessary to compel performance or observance of such covenant, condition or agreement or to recover damages for the Airline's non-performance or non-observance of the same.

Section 6.3. No Remedy Exclusive.

Except as otherwise provided in Section 6.2(c) hereof, no remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the City hereunder shall also extend to the Trustee as assignee of the City (other than with respect to Unassigned Rights), and the Trustee and the owners of the Bonds, subject to the provisions of the Indenture, shall be entitled to the benefit of the covenants and agreements herein contained.

Section 6.4. Agreement To Pay Fees And Expenses Of Counsel.

If the Airline should default under any of the provisions of this Agreement and the City or the Trustee should employ Counsel or incur other expenses for the collection of the amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Airline herein contained, the Airline agrees that it will on demand therefor pay to the Trustee, the City or, if so directed by the City or Trustee, to the Counsel for the City or the Trustee, the reasonable fee of such Counsel and such other expenses so incurred by or on behalf of the City or the Trustee.

Section 6.5. No Additional Waiver Implied By One Waiver; Consents To Waivers.

If any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing and signed by the party making the waiver. The City shall have no power to waive any default hereunder by the Airline, except a default with respect to Unassigned Rights (which the City may waive unilaterally), without the consent of the Trustee to such waiver. The Trustee shall have power to waive any default by the Airline hereunder, except a default with respect to Unassigned Rights, without the prior written concurrence of the City. Notwithstanding the foregoing, if after the acceleration of the maturity of the outstanding Bonds by the Trustee pursuant to Section 802 of the Indenture, all arrears of interest on the outstanding Bonds and interest on overdue installments of interest (to the extent permitted by law) at the rate of interest borne by the Bonds and the principal of all Bonds then outstanding that have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of and the interest on such Bonds that by such acceleration shall have become due and payable, shall have been paid, any and all other "events of default" under the Indenture shall have been cured or waived in accordance with the provision of the Indenture, there shall have been paid the reasonable fees and expenses of the Trustee and of the owners of such Bonds, including reasonable attorneys' fees paid or incurred and such event of default under the Indenture shall be waived in accordance with Section 809 of the Indenture with the consequence that such acceleration under Section 802 of the Indenture is rescinded, then the Airline's default hereunder shall be deemed to have been waived and its consequences rescinded and no further action or consent by the Trustee or the City shall be required.

Article VII.

Option And Obligations Of Airline To Prepay.

Section 7.1. Option To Prepay.

The Airline shall have, and is hereby granted, the option to prepay the amounts payable hereunder in whole at any time or in part from time to time (a) to provide for the redemption of the Bonds pursuant to the provisions of Section 601(a) of the Indenture, including any such prepayment and redemption required pursuant to Section 5.10, or (b) to provide for the defeasance of the Bonds pursuant to Article XII of the Indenture. If the Airline elects to provide for the redemption of Bonds as permitted by this Section, the Airline shall notify and instruct the Trustee in accordance with Section 7.3 hereof to redeem all or any portion of the Bonds in advance of maturity.

Section 7.2. Obligations To Prepay.

The Airline agrees that if all or any part of the Bonds are called for redemption in accordance with the Indenture (other than as described in Section 7.1 hereof) or become subject to mandatory redemption, it will prepay the amounts due and to become due hereunder in whole or in part in an amount sufficient to redeem such Bonds on the date fixed for the redemption of the Bonds pursuant to Section 601(b) or (c) or any other applicable provisions of the Indenture.

Section 7.3. Notice Of Prepayment; Amount To Be Prepaid.

(a) Unless otherwise provided in Section 7.1 or Section 7.2 hereof, following either (i) the exercise of the options granted to the Airline in Section 7.1 hereof, or (ii) the occurrence of an event described in Section 7.2 hereof giving rise to the obligation to prepay the amounts due hereunder, the Airline shall give written notice of prepayment of such amounts to the City and to the Trustee if any of the Bonds shall then be unpaid or provision for payment shall not have been made in accordance with the provisions of the Indenture. The notice shall provide for the date of the application of the prepayment to be made by the Airline hereunder to the redemption of Bonds in whole or in part pursuant to call for redemption and shall specify the redemption date. On or before 12:00 Noon, Chicago time, on [the Business Day before] the date fixed by the Trustee for redemption of the Bonds after receipt of such notice, the Airline shall deposit with the Trustee as required by Section 7.1 or Section 7.2 hereof, as appropriate, for payment into the Special Facility Revenue Fund the amount required in Section 7.3(b).

(b) The amount payable by the Airline hereunder upon either (1) the exercise of the option granted to the Airline in Section 7.1 hereof, or (2) the occurrence of events specified in Section 7.2 hereof shall be, to the extent applicable and except as otherwise provided in Article XII of the Indenture, the sum of the following:

(i) the amount of money that, when added to the moneys on deposit in the Special Facility Revenue Fund before the prepayment being made, will be sufficient to provide all moneys necessary to redeem the Bonds or portions thereof to be redeemed on the date selected for such redemption, including, without limitation, principal and all interest accrued and to accrue to said redemption date and redemption expenses; plus

(ii) if all of the Bonds are to be retired, an amount of moneys equal to the Trustee's and Bond Registrar's fees and expenses under the Indenture accrued and to accrue until the final payment and redemption of the Bonds; minus

(iii) the amount of money by which the balance in the Debt Service Reserve Fund would exceed the Debt Service Requirement in effect after such redemption if no moneys in the Debt Service Reserve Fund would be available for such redemption (it being understood that such excess amount of money will be transferred from the Debt Service Reserve Fund and deposited in the Bond Fund in order to effectuate such redemption).

(c) Any prepayment made pursuant to Section 7.1 or Section 7.2 hereof shall be deposited into the Special Facility Revenue Fund. No prepayment or investment of the proceeds thereof (including for this purpose proceeds from the reinvestment thereof) shall be made that shall cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 7.4. Relative Position Of Options And Indenture.

The options granted to the Airline in this Article shall be and remain prior and superior to any rights of the City to redeem all or a portion of the Bonds as may be provided in the Indenture and except as the contrary is expressly provided herein may be exercised whether or not the Airline is in default hereunder.

Section 7.5. Cancellation At Expiration Of Term.

At the acceleration, termination or expiration of the term of this Agreement and following full payment of the Bonds or provision for payment thereof and of all other fees and charges in accordance with the provisions of this Agreement and the Indenture, the City shall deliver to the Airline any documents and take or cause the Trustee to take such actions as may be requested of it to effectuate the cancellation and evidence the termination of this Agreement. Termination of this Agreement shall not affect the respective rights and obligations of the City and the Airline under the Site Lease or the survival of the Airline's obligations hereunder to the extent provided in Section 8.10 hereof.

Article VIII.

Miscellaneous.

Section 8.1. Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the City, the Airline and their respective successors and assigns, subject, however, to the limitations contained in Section 5.3 and Section 5.6 hereof.

Section 8.2. Execution Counterparts.

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

Section 8.3. Amendments, Changes And Modifications.

After the issuance of the Bonds and before payment or provision for the payment of the Bonds in full (including interest thereon) in accordance with the provisions of the Indenture, this Agreement may not be amended, changed, modified, altered or terminated by the City and the Airline except as provided in Section 3.1 hereof and Article XI of the Indenture.

Section 8.4. Severability.

If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.5. Amounts Remaining In Certain Funds.

Any amounts remaining in the Special Facility Revenue Fund, the Bond Fund, and the Debt Service Reserve Fund, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges and expenses of the City and the Trustee and all other amounts required to be paid under this Agreement and the Indenture, shall be paid promptly to the Airline by the Trustee as overpayment of the amounts due hereunder.

Section 8.6. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given to the parties required hereunder to receive such notice, certificate or communication when mailed by registered or certified mail, postage prepaid (provided that notices hereunder to the Trustee shall be effective when received by the Trustee), addressed as follows:

If To The City:	City of Chicago Office of Comptroller Room 501, City Hall 121 North LaSalle Street Chicago, Illinois 60602 Attention: City Comptroller
With A Copy To:	City of Chicago Department of Aviation 20 North Clark Street Suite 3000 Chicago, Illinois 60602 Attention: Commissioner of the Department of Aviation

If To The Airline Mailing Address:	Compagnie Nationale Air France 888 Seventh Avenue New York, New York 10106
Express Deliveries:	
	Attention: Legal Services Manager
If To The Trustee:	Independence Bank of Chicago 7936 South Cottage Grove Avenue Chicago, Illinois 60619
	Attention: L. Irene Jackson, Trust Administrator
And To:	The First National Bank of Chicago One First National Plaza Suite [ ] Chicago, Illinois 606[ ]
	Attention:

A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Airline to the other shall also be given to the Trustee. The City, the Airline, and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. No notice need be given to any party listed in this Section 8.6 if such party is no longer a party to the transactions contemplated by this Agreement.

Section 8.7. Further Assurances.

Except as otherwise required by law, the Airline agrees that it will not enter into any contract or take any action by which the rights of the Trustee or the Bondholders under the Indenture may be impaired, and that it will, from time to time, execute and deliver such further instruments and take such further action as may be reasonably required to carry out the purpose of this Agreement and the Indenture. The Airline agrees and undertakes to perform any and all obligations of the Airline contained in and pursuant to the Indenture and agrees to be bound by the provisions thereof. The City and the Airline covenant that each, as appropriate, 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 assigning, pledging and confirming unto the Trustee the Trust Estate assigned and the Special Facility Revenues pledged thereunder.

Section 8.8. Applicable Law.

This Agreement shall be governed exclusively by and construed in accordance with the laws of the State applicable to contracts made and to be performed in the State.

Section 8.9. Consent To Service Of Process And Jurisdiction.

All judicial proceedings brought against the Airline with respect to this Agreement may be brought in any federal court of competent jurisdiction having situs within the boundaries of the federal court district of the Northern District of Illinois, and by execution and delivery of this Agreement, the Airline accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. The Airline has irrevocably designated and appointed the representative designated on the signature page of the Site Lease under the heading "Designation of Agent for Service of Process", as its agent in Chicago, Illinois to receive on its behalf service of all process in any such proceedings in any such court (which representative shall be available to receive such service at all times), such service being hereby acknowledged by such representative to be effective and binding service in every respect. The Airline irrevocably waives any objection (including without limitation any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Agreement in the jurisdiction set forth above and any objection or defense it may have to any such proceedings on the grounds of sovereign immunity, except that the Airline reserves the right to cause any proceedings brought against the Airline in the courts of any jurisdiction except the federal court district of the Northern District of Illinois to be removed to any federal court having situs within the Northern District of Illinois. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of City to bring proceedings against the Airline in the courts of any other jurisdiction.

Section 8.10. City's Obligations Limited.

Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that:

(a) The City may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the City by the Trustee or the Airline as to the existence of any fact or state of affairs required hereunder to be noticed by the City;

(b) The City shall not be under any obligation hereunder to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed either by the Trustee or the Airline; and

(c) None of the provisions of this Agreement shall require the City to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liability that may be incurred thereby.

(d) Any obligation that the City may incur under this Agreement or under any instrument executed in connection herewith that shall entail the expenditure of money shall not be a general obligation of the City but shall be a limited obligation payable solely from Special Facility Revenues.

Section 8.11. Term Of The Agreement.

This Agreement shall be in full force and effect from its date to and including such date as all of the Bonds issued under the Indenture shall have been fully paid or retired, and all amounts owing the City and the Trustee have been paid (or provision for such payment shall have been made as provided in the Indenture); provided that the Airline's obligations under Section 4.2 hereof shall survive in the event of a redemption of any or all of the Bonds pursuant to Section 601(b) of the Indenture until all of the Bonds issued under the Indenture shall have been fully paid or retired or provision for such payment shall have been made as provided in the Indenture; and provided further that the covenants of the Airline relating to the City's Unassigned Rights shall survive termination of this Agreement.

Section 8.12. Relationship To Site Lease.

Nothing contained in this Agreement is intended or shall be construed to preclude or limit in any way the exercise by the City or the Airline of its respective rights or remedies under the Site Lease nor to give to the Airline any separate right to use or occupy the Project or any other part of the Airport.

Section 8.13. Sales Of Materials To Contractors For Incorporation Into City-Owned Real Estate.

The City acknowledges that portions of the Project will be, or will be affixed to, real estate owned by the City. Accordingly, the City agrees that it will furnish written confirmation of factual matters with respect to its ownership of such portions of the Project to any applicable taxing authority at the reasonable request of the Airline in connection with any application of the Airline for an exemption from retailers' occupation tax for all purchases of building materials to be incorporated into the Project, use tax and all similar taxes for which such an exemption is appropriate.

In Witness Whereof, The City and the Airline have caused this Agreement to be executed in their respective corporate names and attested by their duly authorized officers, all as of the date first above written.

City of Chicago

By: ______________________________
City Comptroller

(Seal)

Attest:

____
Assistant Secretary

Compagnie Nationale Air France

By: ______________________________
____

Witness:

____
____

[Exhibit "A" attached to this Special Facility Use Agreement unavailable at time of printing.]

Preliminary Official Statement Dated December ____, 1990.

New Issue -- Full Book-Entry.

$____________________

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Compagnie Nationale Air France Project)

Series 1990.

Dated: December 1, 1990. Due: ___________, 2018.

The Series 1990 Bonds are limited obligations of the City of Chicago (the "City") and will be payable (except to the extent payable from proceeds of such Bonds and certain other moneys pledged therefor) solely from and secured by a pledge of payments to be made pursuant to a Special Facility Use Agreement dated December 1, 1990 between the City and Compagnie Nationale Air France.

[The payment of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds also has been unconditionally guaranteed by Compagnie Nationale Air France.]

Interest on the Series 1990 Bonds will be payable semi-annually on each June 1 and December 1, commencing June 1, 1991. The Series 1990 Bonds will be issued as fully registered bonds and will be registered in the name of the nominee of Midwest Securities Trust Company, Chicago, Illinois ("M.S.T.C."). M.S.T.C. will act as securities depository of the Series 1990 Bonds. Purchases will be made in book-entry form through M.S.T.C. participants only in the principal amount of $5,000 or any integral multiple thereof and no physical delivery of Series 1990 Bonds will be made to purchasers. Payments of principal of and interest and redemption premium, if any, on the Series 1990 Bonds will be made to purchasers by M.S.T.C. through its participants.

The Series 1990 Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

In the opinion of Burke, Wilson & McIlvaine, Chicago, Illinois, and John H. Stroger, Jr., Chicago, Illinois ("Co-Bond Counsel"), under existing statutes, regulations, judicial decisions and if there is continuing compliance with certain agreements and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 1990 Bonds, except as described under the caption "Tax Matters" in this Official Statement, is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on the Series 1990 Bonds for any period during which any such Bonds are owned by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. However, interest on the Series 1990 Bonds will be treated as a preference item in calculating the alternative minimum tax on individuals and corporations and the environmental tax imposed on corporations by the Code. Co-Bond Counsel is also of the opinion that under the laws of the State of Illinois, as presently enacted and construed, interest on the Series 1990 Bonds is not exempt from Illinois income tax. See "Tax Matters" for further discussion of the tax implications of ownership of the Series 1990 Bonds.

[__% Series 1990 Bonds Due ________, 2018 -- Price ____% (Plus Accrued Interest from December 1, 1990).]

The Series 1990 Bonds are offered when, as and if issued by the City and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, the approving legal opinions of Burke, Wilson & McIlvaine, Chicago, Illinois, and John H. Stroger, Jr., Chicago, Illinois, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by its Corporation Counsel and by Hopkins & Sutter, Chicago, Illinois, Special Counsel to the City. Certain legal matters will be passed upon for Compagnie Nationale Air France by Joan Gabel, its Legal Services Manager/U.S.A., and for the Underwriters by their co-counsel, Gardner, Carton & Douglas, Chicago, Illinois, and Richard H. Newhouse, Jr., Chicago, Illinois. Confirmations of book-entries are expected to be mailed by M.S.T.C. participants on or about December ____, 1990.

Smith Barney, Harris Upham & Co.,

Incorporated

George K. Baum & Company

Goldman, Sachs & Co.

Pryor, McClendon, Counts & Co., Inc.

Smith, Mitchell & Associates, Inc.

[End Of Official Statement Cover Page.]

City Of Chicago

Chicago-O'Hare International Airport

Mayor

Richard M. Daley

City Treasurer

Miriam Santos

City Clerk

Walter S. Kozubowski

City Council Committee On Finance

Edward M. Burke, Chairman

City Chief Financial Officer

Edward J. Bedore

City Comptroller

Walter K. Knorr

Budget Director

Sidonie J. Walters-Lawrence

Corporation Counsel

Kelly R. Welsh

Department Of Aviation

Jay R. Franke, Commissioner

Department Of Public Works

David S. Williams, Jr., Commissioner

Special Counsel To The City

Hopkins & Sutter, Chicago, Illinois

Co-Bond Counsel

Burke, Wilson & McIlvaine, Chicago, Illinois

John H. Stroger, Jr., Esq.

Chicago, Illinois

The information contained in this Official Statement (which term shall be deemed to include the Summary Statement, the Appendices to this Official Statement and all documents incorporated or referred to herein by reference), has been obtained from the City, Compagnie Nationale Air France (the "Airline"), and other sources deemed reliable. The information concerning M.S.T.C. has been obtained from M.S.T.C. No representation is made, however, as to the accuracy or completeness of such information, and nothing contained in this Official Statement is, or shall be relied upon as, a promise or representation by the Underwriters. This Official Statement is submitted in connection with the sale of securities described in it and may not be reproduced or used, in whole or in part, for any other purposes. The information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by any means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of the City or the Airline since the date of this Official Statement.

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

The Prices And Other Terms Respecting The Offering And Sale Of The Series 1990 Bonds May Be Changed From Time To Time By The Underwriters After The Series 1990 Bonds Are Released For Sale, And The Series 1990 Bonds May Be Offered And Sold At Prices Other Than The Initial Offering Prices, Including Sales To Dealers Who May Sell The Series 1990 Bonds Into Investment Accounts. In Connection With The Offering, The Underwriters May Overallot Or Effect Transactions Which Stabilize Or Maintain The Market Price Of The Series 1990 Bonds At A Level Above That Which Might Otherwise Prevail In The Open Market. Such Stabilizing, If Commenced, May Be Discontinued At Any Time.

Table Of Contents.

Summary Statement.

This Summary Statement is subject in all respects to more complete information contained in this Official Statement (which term shall be deemed to include the cover page, this Summary Statement, and the Appendices). The offering of the Series 1990 Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise to use it without the entire Official Statement.

The City.

The City of Chicago (the "City") is a municipal corporation and a home rule unit of local government under the Constitution of the State of Illinois, and owns and operates Chicago-O'Hare International Airport (the "Airport"). See "The City" and" The Airport".

The Series 1990 Bonds.

The $__________ City of Chicago, Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project), Series 1990 (the "Series 1990 Bonds"), issued in the amount, maturity and interest rate set forth on the cover page of this Official Statement, are the first series of bonds (all such bonds herein called "Bonds") issued and authorized pursuant to the Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project), dated as of December 1, 1990 (the "Indenture"), from the City to Independence Bank of Chicago and The First National Bank of Chicago, as trustees (collectively, the "Trustee"). [Payment of principal of and interest and redemption premium, if any, on the Series 1990 Bonds will be guaranteed by the Airline, pursuant to a Guaranty from the Airline to the Trustee dated as of December 1, 1990 (the "Guaranty").] The Series 1990 Bonds will be subject to optional and mandatory redemption prior to maturity, in each case at the redemption prices, in the manner and at the times set forth in this Official Statement. See "The Series 1990 Bonds -- Redemption Prior to Maturity".

Book-Entry Only System.

When the Series 1990 Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by Midwest Securities Trust Company, Chicago, Illinois ("M.S.T.C."), in integral multiples of $5,000, and no physical delivery of Series 1990 Bonds will be made to purchasers. Payments of principal of and interest and redemption premium, if any, will be made to purchasers by M.S.T.C. through its participants. See "The Series 1990 Bonds -- Book-Entry Only System".

The Airport.

The Airport was, in 1989, the busiest airport in the world, as measured by total passengers and by total aircraft operations. The Airport provides international service to eight counties in Illinois (Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry and Will) and two counties in Indiana (Lake and Porter) (collectively, the "Chicago Region"), and to other regions by virtue of hub operations at the Airport by American Airlines and United Airlines. The population of the Chicago region was 8,025,000 in 1988. Scheduled commercial non-stop service is offered to 202 airports (167 domestic and 35 foreign). Total air cargo volume was 1,056,708 tons in 1989. See "The Airport".

The Project.

A portion of the net proceeds of the Series 1990 Bonds will be used to finance the design, construction, installation and equipping of an approximately 116,000 square foot air freight facility and related improvements (the "Project") at the Airport. The Project will be used by Compagnie Nationale Air France (the "Airline"), pursuant to a Cargo Facility Site Lease dated as of December ____, 1990, between the Airline and the City. The Airline will agree to make payments sufficient to pay when due the principal of and interest and redemption premium, if any, on the Series 1990 Bonds pursuant to a Special Facility Use Agreement (Cargo Facility) dated as of December 1, 1990 (the "Agreement") between the Airline and the City. The Series 1990 Bonds will not be secured by the Project, but will be payable solely from payments made by the Airline under the Agreement [and the Guaranty]. See "The Project", "Security for the Series 1990 Bonds", "The Agreement", "The Site Lease" and "The Guaranty".

The Airline.

The Airline is 99.377% owned by the Republic of France. The international scheduled airline services of the Airline rank second in the world in terms of numbers of passengers carried and third in the world in terms of air cargo tons carried. As of September 30, 1990, the Airline served 198 airports in 77 countries, including 10 airports in the United States. Additional information concerning the Airline is contained in Appendix A.

Plan Of Finance.

The proceeds from the sale of the Series 1990 Bonds received by the City, together with interest earnings thereon, will be used to finance: (i) the Project; (ii) the interest on the Series 1990 Bonds during the construction of the Project; (iii) the Debt Service Reserve Requirement (as defined in the

Indenture) for the Series 1990 Bonds; and (iv) the costs of issuance related to the Series 1990 Bonds. See "Plan of Finance".

Security.

The Series 1990 Bonds will be limited obligations of the City payable solely from Special Facility Revenues (as defined in the Indenture), which will be derived primarily from payments to be made by the Airline pursuant to the Agreement [and the Guaranty]. In order to secure the payment of the principal of and interest and redemption premium, if any, on all Bonds outstanding from time to time, a pledge will be made in the Indenture of the Special Facility Revenues and all moneys on deposit in the funds and accounts under the Indenture other than the Rebate Fund. The Series 1990 Bonds will not be general obligations of the City, and neither the full faith and credit nor the taxing power of the City will be pledged for their payment. Neither the Project nor any additions thereto will serve as security for the Series 1990 Bond or any other Bonds, and the Series 1990 Bonds will not be secured by any other properties or improvements at the Airport or the Revenues (as defined in the City's 1983 General Airport Revenue Bond Ordinance, as amended or supplemented) or any other revenues (other than the Special Facility Revenues) derived by the City from the operation of the Airport generally. See "Security for the Series 1990 Bonds", "Bondholders' Risks" and "Enforceability of Remedies".

Debt Service Reserve Requirement.

As security for the registered owners of the Series 1990 Bonds, a Debt Service Reserve Fund will be established under the Indenture and funded concurrently with the issuance of the Series 1990 Bonds. The Indenture will require that the balance in the Debt Service Reserve Fund be maintained in an amount equal to the least of (i) 10% of the original aggregate principal amount of the Series 1990 Bonds, or (ii) the maximum amount of interest payable on the Series 1990 Bonds on any two consecutive interest payment dates, or (iii) the maximum amount permitted under the Internal Revenue Code of 1986, as amended. In lieu of maintaining a cash deposit in the Debt Service Reserve Fund, the Debt Service Reserve Requirement for the Series 1990 Bonds may be satisfied by the deposit of one or more irrevocable letters of credit or irrevocable surety bond policies. The moneys held in the Debt Service Reserve Fund as security for the Series 1990 Bonds will not be available as security for any other series of Bonds. See "Security for the Series 1990 Bonds -- Debt Service Reserve Fund".

Additional Bonds.

Additional series of bonds may be issued pursuant to the Indenture on a parity with the Series 1990 Bonds for the purposes described under the caption "Security for the Series 1990 Bonds -- Additional Bonds". The moneys held in the Debt Service Reserve Fund as security for the Series 1990 Bonds will not be available as security for any series of additional Bonds.

Official Statement.

$__________

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Compagnie Nationale Air France Project)

Series 1990.

Introductory Statement.

This Official Statement, including the cover page, the table of contents, the Summary Statement and the Appendices, is provided to furnish information in connection with the sale by the City of Chicago (the "City") of its Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project), Series 1990 in the aggregate principal amount of $__________ (the "Series 1990 Bonds"). The Series 1990 Bonds will be issued pursuant to and secured by an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project) dated as of December 1, 1990 (the "Indenture") between the City and Independence Bank of Chicago and The First National Bank of Chicago, as trustees (collectively, the "Trustee").

The Series 1990 Bonds are being issued to provide funds to finance (i) the design, construction, installation and equipping of an approximately 116,000 square foot air freight facility and related improvements (the "Project") at Chicago-O'Hare International Airport (the "Airport"); (ii) the interest on the Series 1990 Bonds during the construction of the Project; (iii) the Debt Service Reserve Requirement (as defined in the Indenture), for the Series 1990 Bonds; and (iv) the costs of issuance related to the Series 1990 Bonds. Under and pursuant to a Special Facility Use Agreement (Cargo Facility) dated as of December 1, 1990 (the "Agreement"), Compagnie Nationale Air France (the "Airline"), will agree to pay amounts sufficient to pay the principal of and interest and redemption premium, if any, on the Series 1990 Bonds. [Payment of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds will be guaranteed by the Airline, pursuant to a Guaranty from the Airline to the Trustee dated as of December 1, 1990 (the "Guaranty")]. The Series 1990 Bonds will not be secured by the Project, but will be payable solely from payments made by the Airline under the Agreement [and the Guaranty], funds on deposit under the Indenture and interest earnings thereon. The City and the Airline also will enter into a Cargo Facility Site Lease dated as of December ____, 1990 (the "Site Lease"), pursuant to which the Airline will lease the land underlying the Project (the "Site") and the improvements thereon from the City.

The Series 1990 Bonds will be dated December 1, 1990 and will mature on __________ 1, 2018. The Series 1990 Bonds will bear interest at the rate set forth on the cover page of this Official Statement, and will be subject to mandatory and optional redemption prior to maturity as described under the caption "The Series 1990 Bonds -- Redemption Prior to Maturity". Interest on the Series 1990 Bonds will be payable semiannually on June 1 and December 1 of each year (an "Interest Payment Date") commencing on June 1, 1991. The Series 1990 Bonds will be issued only in book-entry form in the name of a nominee of Midwest Securities Trust Company ("M.S.T.C."), as securities depository. No physical delivery of Series 1990 Bonds will be made to purchasers. See "The Series 1990 Bonds -- Book-Entry Only System".

Additional Bonds (the "Additional Bonds") may be issued from time to time by the City under the Indenture for the purposes described under the caption "Security For The Series 1990 Bonds -- Additional Bonds". The term "Bonds" shall mean the Series 1990 Bonds and any Additional Bonds issued pursuant to the Indenture.

Brief descriptions of the City, the Series 1990 Bonds, the Agreement, the Indenture, the Site Lease and [the Guaranty] are included in this Official Statement. Appendix A to this Official Statement furnishes, or refers to, information with respect to the Airline. Appendix B to this Official Statement sets forth the form of opinions of Co-Bond Counsel.

The descriptions herein of the Agreement, the Indenture, the Site Lease [and the Guaranty] are qualified in their entirety by reference to such documents, and the descriptions herein of the Series 1990 Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained during the initial offering period from the principal offices of the Underwriters and, after the initial delivery of the Series 1990 Bonds, at the principal corporate trust office of the Trustee in Chicago, Illinois.

The City.

The City is a municipal corporation and a home rule unit of local government under the 1970 Constitution of the State of Illinois. The Series 1990 Bonds are being issued under the authority and power granted to the City as a home rule unit by Article VII, Section 6(a) of the 1970 Constitution.

The Airport.

The Airport is owned and operated by the City. The Airport serves as the principal air terminal for the greater Chicago area, as well as a transfer and connecting point for numerous domestic and international flights. Measured by total passengers, the Airport was the busiest airport in the world in 1989 for the twenty-eighth consecutive year. In 1989, it also was the busiest airport in the world as measured by total aircraft operations. The Airport is located 18 miles northwest of the City's central business district and occupies 6,965 acres of land. The Airport is served by a network of highways, including several regional expressways, and is directly linked to the central business district and other parts of Chicago by a rapid transit rail system.

In 1989, total domestic and international passengers at the Airport numbered 59,215,032; aircraft operations numbered 794,546; and air cargo volume was 1,056,708 tons. In order to improve and expand existing facilities at the Airport, the City has developed an airport development plan (the "Airport Development Plan") which includes a series of substantial improvements to the Airport, most of which have already been completed. The Project is consistent with and will be coordinated with the Airport Development Plan.

See "Litigation" and "Regulatory Proceedings and Proposed State Actions" for a discussion of certain pending litigation and regulatory proceedings relating to the Airport.

The Project.

The Project will include the following components: (i) a warehouse containing approximately 107,530 square feet; (ii) a two-story office building containing approximately 9,280 square feet; (iii) a basement containing approximately 3,870 square feet; (iv) approximately 91,360 square feet of aircraft parking (including service roadways) equipped with a fuel hydrant system; (v) approximately 106,300 square feet of parking area for trucks, cars and other vehicles; and (vi) various fixtures and equipment to be used for handling cargo in the warehouse, including an aircraft pallet storage and handling system and rack storage systems. In addition, the Project also will include reimbursement of the City and another air carrier for the costs of certain common off-site capital improvements to the Airport's cargo area, including the relocation of a roadway and utilities and the construction of a common taxiway. The total cost of the design, construction, installation and equipping of the Project is estimated to be $16,000,000. See "Plan of Finance".

Plan Of Finance.

Sources Of Funds For The Project.

The net proceeds from the sale of the Series 1990 Bonds, except amounts received from the purchasers of the Series 1990 Bonds as accrued interest, will be deposited in the Construction Fund and the Debt Service Reserve Fund established under the Indenture. Amounts received from the purchasers of the Series 1990 Bonds as accrued interest will be deposited in the Bond Fund under the Indenture. The initial deposits into these funds, together with the anticipated interest earnings thereon, are expected to be sufficient to pay the costs of the Project, to pay interest on the Series 1990 Bonds through May 1992 (the estimated completion date of the Project), to satisfy the Debt Service Reserve Requirement under the Indenture for the Series 1990 Bonds and to pay the costs of issuance related to the Series 1990 Bonds. If Project costs increase, the completion date is delayed or interest earnings decrease below present estimates, the City may issue Additional Bonds to provide additional funds. See "Security for the Series 1990 Bonds -- Additional Bonds".

Estimated Application Of Series 1990 Bond Proceeds.

The proceeds from the sale of the Series 1990 Bonds (exclusive of $________ in accrued interest, which will be deposited in the Interest

Account in the Bond Fund established under the Indenture) are estimated to be applied as follows:

Project Costs	$
Capitalized Interest	
Debt Service Reserve Fund	
Underwriters' Discount and Other Costs of Issuance	________
Principal Amount of Series 1990 Bonds	$________

Debt Service Schedule For The Series 1990 Bonds.

Bond Year Ending April 1	Principal Payments	Interest	Total Debt Service
1991			
1992			
1993			
1994			
1995			
1996			
1997			
1998			
1999			
2000			

Bond Year Ending April 1	Principal Payments	Interest	Total Debt Service
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			

The Series 1990 Bonds.

General.

The Series 1990 Bonds will be dated December 1, 1990 and will mature on June 1, 2018. Interest on the Series 1990 Bonds will be payable semiannually on each June 1 and December 1, commencing June 1, 1991. The Series 1990 Bonds will bear interest from December 1, 1990 at the rate per annum set forth on the cover page hereof.

Redemption Prior To Maturity.

Optional Redemption. The Series 1990 Bonds will be subject to redemption in whole or in part on any business day on or after ___________, if the Airline exercises its option under the Agreement to prepay the payments due thereunder in whole or in part and thereby effect redemption of such Series 1990 Bonds at the following redemption prices (expressed as a percentage of the principal amount of the Series 1990 Bonds to be redeemed) plus accrued interest to the date fixed for redemption:

Redemption Period (dates inclusive)	Redemption Price

If the Airline is reimbursed pursuant to the Site Lease for the cost of certain common improvements financed from the proceeds of the Series 1990 Bonds, the Airline will agree to apply such reimbursements to the optional redemption of Bonds on the earliest date on which Bonds are redeemable at a price of 100% of the principal amount thereof (and without premium), but only to the extent that the amount of such reimbursement exceeds the amount of moneys not obtained through the issuance of Bonds which the Airline has applied, or intends to apply, to costs of the Project.

Mandatory Redemption upon Determination of Taxability. The Series 1990 Bonds will be subject to mandatory redemption in whole, or, as described below, in part, on any date before their maturity at a redemption price equal to 100% of the principal amount thereof, without premium, but with accrued interest thereon to the redemption date, which redemption date will be not more than 90 days following the receipt by the Airline of written notice from a registered owner ("Owner") of the Series 1990 Bonds or former Owner or from the Trustee of a final determination of the Internal Revenue Service or a court of competent jurisdiction to the effect that the interest paid or payable on any Series 1990 Bond to other than a "substantial user" of the Project or a "related person" (within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code")) is or was includible in the gross income of the Owner thereof for federal income tax purposes under the Code; provided that no such determination will be considered final unless (a) the Owner or former Owner involved in such proceeding or action (i) gives the Airline and the Trustee prompt notice of the commencement thereof, and (ii) (if the Airline agrees to pay all expenses in connection therewith and to indemnify such Owner or former Owner against all liabilities in connection therewith), offers the Airline the opportunity to control unconditionally the defense thereof, and (b) either (i) the Airline does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (ii) the Airline shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action that the Airline determines to be appropriate. Fewer than all the Series 1990 Bonds may be redeemed if redemption of fewer than all Series 1990 Bonds would result in the interest payable on the Series 1990 Bonds remaining outstanding being not includible in the gross income for federal income tax purposes of any Owner other than a "substantial user" of the Project or a "related person" (within the meaning of Section 147(a) of the Code). Selection of Series 1990 Bonds for such partial redemption will be in such manner as the Trustee determines or in such manner acceptable to the Trustee as is specified in a written opinion of bond counsel, and in such amount as bond counsel determines is necessary to accomplish such result. After the receipt by the Trustee of notice from the Airline pursuant to the Agreement, the Trustee will give notice of redemption as provided below. Upon the giving of such notice, the Series 1990 Bonds called for redemption will become due and payable on such redemption date at the redemption price together with the accrued interest to the redemption date, and such Series 1990 Bonds will be redeemed and cancelled by the Trustee on such redemption date.

If The Lien Of The Indenture As To The Series 1990 Bonds Has Been Defeased Before A Final Determination Of Taxability, The Series 1990 Bonds Will Not Be Subject To Mandatory Redemption In The Manner Described Above. See "The Indenture -- Discharge Of Indenture".

Mandatory Redemption upon Condemnation of Project and Site. The Series 1990 Bonds will be subject to mandatory redemption in part or in whole, as the case may be, on any date before their maturity at a redemption price equal to 100% of the principal amount thereof, without premium, but with accrued interest thereon to the redemption date, which redemption date will be not more than 90 days following the receipt by the Airline, pursuant to the Agreement, of its allocable portion of the net proceeds of any condemnation award received on account of any condemnation or taking of all or part of the Project and the Site. The Series 1990 Bonds will be redeemed pursuant to the first sentence of this paragraph in part in an aggregate principal amount equal to the highest integral multiple of $5,000 not exceeding the amount of such net proceeds received by the Airline, or, if such net proceeds are sufficient therefor, in whole. After receipt by the Trustee of notice from the Airline pursuant to the Agreement, the Trustee will give notice of such redemption as provided below. Upon the giving of such notice, the Series 1990 Bonds called for redemption will become due and payable on such redemption date at the redemption price, together with the accrued interest to the redemption date, and such Series 1990 Bonds will be redeemed and canceled by the Trustee on such redemption date. Neither the condemnation of the Project and the Site, nor the receipt of any condemnation proceeds, will affect the Airline's obligations under the Agreement [or the Guaranty].

Notice and Effect of Redemption. Notice of redemption of the Bonds will be mailed by the Trustee not less than 30, nor more than 60, days prior to the redemption date, by registered or certified mail to the Owner of each Bond to be redeemed in whole or in part. Each notice of redemption will among other things: (i) specify the Bonds (or portions thereof) to be redeemed, the redemption date, the place or places of redemption and the redemption price, and (ii) state that the interest on the Bonds (or portions thereof) designated for redemption in such notice will cease to accrue from and after such redemption date.

If less than all of the Bonds are called for redemption, the Trustee will be required to select, in its sole discretion, the Bonds or portions thereof to be redeemed from Bonds outstanding and not previously called for redemption, in such manner as in the Trustee's sole discretion it deems appropriate and fair, whether by lot or otherwise.

If the Owner of any Bond called for redemption, in whole or in part, fails to present such Bond to the Trustee for payment (and exchange for a substitute Bond in the principal amount of the portion not called for redemption), such Bond will, nevertheless, become due and payable on the date fixed for redemption to, and only to, the extent of the portion called for redemption, and interest will cease to accrue after such date on such Bond or portion thereof.

If notice of redemption is given as described above and if sufficient funds for the payment of the principal of and interest and redemption premium, if any, on the Bonds (or portions thereof) to the redemption date are held for the purpose of such payment by the Trustee, then the Bonds (or portions thereof) so called for redemption will, on the redemption date, cease to bear interest and will be no longer be deemed outstanding under or secured by the lien of the Indenture.

Book-Entry Only System.

Series 1990 Bonds in Book-Entry. When the Series 1990 Bonds are issued, ownership interests will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by Midwest Securities Trust Company, Chicago, Illinois ("M.S.T.C."). The following discussion will not apply to Series 1990 Bonds if issued in physical form because of discontinuance of the Book-Entry System.

The information in this section concerning M.S.T.C. and M.S.T.C.'s Book-Entry System has been obtained from sources the City believes to be reliable, but neither the City nor the Underwriters take any responsibility for the accuracy or completeness thereof.

The Series 1990 Bonds will be registered under a book-entry only system, with bond certificates immobilized at M.S.T.C. and not available for distribution to the public, evidencing ownership of the Series 1990 Bonds in maturing amounts of $5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of M.S.T.C. and its participating organizations ("Participants") pursuant to rules and procedures established by M.S.T.C. Payments of principal and redemption price (including any premium) of and interest on the Series 1990 Bonds will be paid to M.S.T.C. or its nominee as the Owner of the Series 1990 Bonds. Transfers of payments of principal, and redemption price (including any premium) of and interest on the Series 1990 Bonds to Participants will be the responsibility of M.S.T.C. Transfers of payments of principal and redemption price (including any premium) of and interest on the Series 1990 Bonds to beneficial Owners by Participants will be the responsibility of such Participants and other nominees of beneficial Owners. Participants are responsible for furnishing confirmations of purchase of Series 1990 Bonds to the beneficial Owners. For every exchange or transfer among beneficial Owners of the Series 1990 Bonds, M.S.T.C. or the applicable Participants may charge a fee sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

The Indenture provides for the Trustee to perform certain duties with respect to the Series 1990 Bonds. The Trustee will perform certain fiduciary duties for the Owners, such as maintaining the funds and accounts established under the Indenture. The foregoing notwithstanding, the duties of the Trustee to the Owners will run solely to M.S.T.C. or its nominee as the Owner of the Series 1990 Bonds.

M.S.T.C. has advised the City that it is a limited-purpose trust company organized under the laws of the State of Illinois, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Illinois Uniform Commercial Code, as amended, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of

1934, as amended. M.S.T.C. was created to hold securities of its Participants and to facilitate the clearance and settlement of securities transactions among M.S.T.C. Participants in such securities through electronic book-entry changes in accounts of the M.S.T.C. Participants, thereby eliminating the need for physical movement of securities certificates when ownership of securities is transferred. M.S.T.C. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to the M.S.T.C. system is also available to others such as banks, brokers, dealers and trust companies that clear securities transactions through or maintain a custodial relationship with an M.S.T.C. Participant, either directly or indirectly.

As long as M.S.T.C. is the securities depository of the Series 1990 Bonds, the Series 1990 Bonds will be registered in the name of Kray & Co., as the nominee of M.S.T.C., and the certificates for the Series 1990 Bonds will be held by M.S.T.C. Interests in the Series 1990 Bonds may be purchased by or through Participants. Such Participants and the persons for whom they acquire interests in the Series 1990 Bonds as nominees are referred to herein as "Beneficial Owners". Beneficial Owners will not receive bond certificates representing their interest in the Series 1990 Bonds. Such interests will be recorded and transferred only on the computerized Book-Entry System operated by M.S.T.C.

As long as M.S.T.C. is the securities depository of the Series 1990 Bonds, the Trustee and the City will treat M.S.T.C. or its nominee as the sole and exclusive Owner of the Series 1990 Bonds for all purposes. Accordingly, the Trustee and the City will make payments of principal, and redemption price (including any premium) of and interest on the Series 1990 Bonds, and will give any notices permitted or required to be given to Owners under the Indenture, only to M.S.T.C. The remittance of such payments and the transmittal of such notices to Participants and their customers are the obligations of M.S.T.C. and Participants, respectively.

Neither The Trustee Nor The City Will Have Any Responsibility Or Obligation To Any Participant, Any Person Claiming A Beneficial Ownership Interest In Any Series 1990 Bond Under Or Through M.S.T.C. Or Any Participant, Or Any Other Person Which Is Now Shown On The Registration Books Of The Trustee As Being An Owner, With Respect To The Accuracy Of Any Records Maintained By M.S.T.C. Or Any Participant, The Payment By M.S.T.C. Or Any Participant Of Any Amount In Respect Of The Principal Or Redemption Price (Including Any Premium) Of Or Interest On Any Series 1990 Bond, Any Notice Which Is Required To Be Given To Owners Under The Indenture, The Selection By M.S.T.C. Or Any Participant Of Any Person To Receive Payment In The Event Of A Partial Redemption Of The Series 1990 Bonds, Or Any Consent Given Or Other Action Taken By M.S.T.C. Or Its Nominee As The Registered Owner Of The 1990 Bonds.

The City may determine in its sole discretion that (i) M.S.T.C. is unwilling or unable to discharge its responsibilities as securities depository, or (ii) it is in the best interest of the City that the Beneficial Owners of the 1990 Bonds be able to obtain certificates for such Series 1990 Bonds. In addition, M.S.T.C. may determine to discontinue providing its service with respect to the Series 1990 Bonds at any time by giving notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the City may appoint a successor securities depository, and M.S.T.C., the Trustee and the City will cooperate to arrange for such other securities depository to maintain custody of certificates evidencing such Series 1990 Bonds. If a successor securities depository is appointed, that successor or its nominee will be treated by the Trustee and the City as the sole and exclusive Owner of such Series 1990 Bonds and, as in the case of M.S.T.C., the responsibilities and obligations of the Trustee and the City will be solely to that successor securities depository or its nominee and not to any Participant in the successor or any person claiming a beneficial ownership interest in any such Series 1990 Bonds. If there is no successor securities depository, the City and the Trustee will be obligated to deliver certificates for such Series 1990 Bonds in physical form as described in the Indenture, and the Trustee and the City will cooperate to make such certificates available. If such certificates are issued, the provisions of the Indenture will apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates.

Effect on Series 1990 Bonds of Discontinuance. The following three paragraphs apply to the Series 1990 Bonds only when not in the Book-Entry System:

(a) The Series 1990 Bonds will be issuable only as fully registered bonds in denominations which are integral multiples of $5,000. Exchanges and transfers will be made without charge to the Owners, except that, in each case the Trustee will require the payment by the Owner requesting exchange or transfer of any tax or governmental charge required to be paid with respect thereto.

(b) Principal of and interest and redemption premium, if any, on the Series 1990 Bonds will be payable upon presentation and surrender when due at the principal corporate trust office of the Trustee. Interest on the Series 1990 Bonds will be payable by check or draft mailed to the Owners thereof at the close of business on the 15th day of May or December immediately before each Interest Payment Date (the "Record Date") or, at the option of any owner of not less than $500,000 principal amount of the Series 1990 Bonds, by wire transfer to any address in the continental United States on the applicable Interest Payment Date to the Owner as of the applicable Record Date, if such Owner provided the Trustee with written notice of such wire transfer address at least 15 days prior to such Record Date (which notice may provide that it will remain in effect with respect to subsequent interest Payment Date unless and until changed or revoked by subsequent notice).

(c) Each Series 1990 Bond will be dated and bear interest from the Interest Payment Date next preceding its date of authentication and delivery unless (i) it is authenticated and delivered before June 1, 1991, in which case it will be dated and bear interest from December 1, 1990, or (ii) it is authenticated and delivered on any Interest Payment Date, in which event it will be dated and bear interest from such date; provided, that if at any time interest due on such Series 1990 Bond shall not have been paid in full, then such Series 1990 Bond will be dated and bear interest from the date to which interest on such Series 1990 Bond shall have been paid in full.

Use Of Certain Terms In Other Sections Of This Official Statement. In reading this Official Statement it should be understood that, while the Series 1990 Bonds are in the Book-Entry System, references in other sections of this Official Statement to Owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through M.S.T.C. and the Book-Entry System and (ii) notices that are to be given to Owner by the City or the Trustee will be given only to M.S.T.C. M.S.T.C. will be required to forward (or cause to be forwarded) the notices to the Participants by its usual procedures, so that such Participants may forward (or cause to be forwarded) such notices to the Beneficial Owners.

Security For The Series 1990 Bonds.

Payments By The Airline Under The Agreement.

The Series 1990 Bonds are limited obligations of the City payable solely from Special Facility Revenues (as defined in the Indenture), which will be derived primarily from payments to be made by the Airline pursuant to the Agreement [and the Guaranty]. In order to provide for the payment of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds, the City will pledge and assign to the Trustee under the Indenture certain of its rights and interests under the Agreement, including the Special Facility Revenues and all moneys on deposit in the funds and accounts under the Indenture other than the Rebate Fund. The Airline will be required under the Agreement to make payments sufficient in amount to pay when due (whether at stated maturity, upon redemption or upon acceleration) the principal of and interest and redemption premium, if any, on the Series 1990 Bonds. The Series 1990 Bonds will not be secured by the Project. The Trustee, as assignee under the Indenture of certain of the City's rights under the Agreement, will not be entitled to exercise any rights of entry, re-entry, eviction, reletting, or any similar rights with respect to the Project, all such rights being exercisable solely by the City pursuant to the Site Lease, except to the extent of certain rights to cure certain defaults and replace the Airline with another tenant as provided in the Site Lease. The Airline will acknowledge in the Agreement that rents payable by any such replacement tenant shall be applied first to satisfy its obligations under the Site Lease and only the excess, if any, will be available for the payment of principal of and interest on the Bonds. The Airline will remain liable for its obligations under the Agreement [and the Guaranty] even if a replacement tenant is obtained for the Project. See "The Agreement -- Remedies", "The Site Lease -- Defaults and Remedies", "Bondholders' Risks" and "Enforceability of Remedies".

Debt Service Reserve Fund.

The Trustee is required to deposit $_________ of the proceeds from the issuance of the Series 1990 Bonds into the Debt Service Reserve Fund established under the Indenture and maintain therein available funds in an amount equal to the Debt Service Reserve Requirement for the Series 1990 Bonds, which shall equal the least of: (i) 10% of the original aggregate principal amount of the Series 1990 Bonds or (ii) the maximum amount of interest payable on the Series 1990 Bonds on any two consecutive Interest Payment Dates or (iii) the maximum amount permitted under the Code. Moneys in the Debt Service Reserve Fund shall be deposited by the Trustee on any Interest Payment Date, or any other date on which interest on or principal of the Series 1990 Bonds is payable, in the Interest Account or the Principal Account in the Bond Fund, in that order, to the extent available, in an amount necessary, in each case, to provide moneys in such account in the Bond Fund, together with moneys already deposited therein, sufficient to pay interest on or the principal of the Series 1990 Bonds on such date. The Airline will be required under the Agreement to make payments to the Trustee sufficient to maintain the balance in the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Requirement for the Series 1990 Bonds. Moneys held in the Debt Service Reserve Fund as security for the Series 1990 Bonds will not be available to pay principal of or interest on any other series of Bonds.

The Airline will be permitted to satisfy the Debt Service Reserve Fund Requirement for the Series 1990 Bonds in whole or in part by depositing into the Debt Service Reserve Fund one or more irrevocable letters of credit or irrevocable surety bond policies issued by a bank or bond insurance company with one of the three highest credit ratings available from a Rating Agency (as defined in the Indenture). Such letters of credit or surety bond policies must have a term of at least five years and meet other requirements, including the availability of funds thereunder for all purposes for which moneys in the Debt Service Reserve Fund may be applied.

Additional Bonds.

In accordance with the Indenture, the City will be permitted to issue Additional Bonds without limitation as to amount, except as may be limited by law, for the purposes of (a) the payment or reimbursement of the costs of the Project or one or more additions thereto, or (b) the funding of any fund or account established under the Indenture. Under the Indenture, each series of Additional Bonds will be equally and ratably secured with the Series 1990 Bonds under the Indenture by the pledge of the Special Facility Revenues, except that moneys on deposit in the Debt Service Reserve Fund as security for the Series 1990 Bonds will not be available to pay principal of and interest on any other series of Bonds.

Issuance of Additional Bonds will be subject to a number of conditions set forth in the Indenture, including a provision that, at the time of issuance of such Additional Bonds, no event of default shall have occurred and remain continuing under the Indenture. Before the issuance of Additional Bonds, the Trustee and City must first receive certification by an Independent Airport Consultant (as defined in the City's 1983 Chicago-O'Hare International Airport General Airport Revenue Bond Ordinance) that the estimated rentals, debt service or other charges to be derived by the City under the Agreement will be at least sufficient to pay the principal of, premium, if any, and interest on, such Additional Bonds as they mature and become due, all costs of operating and maintaining the Project or additional project to be financed by such Additional Bonds and for which no mechanism for reimbursement has been established and all sinking and other reserve fund payment requirements required by the City's ordinance authorizing such Additional Bonds. See "The Agreement -- Assignment, Merger, and Assumption of Obligations of the Airline; Ability of Airline to Incur Debt".

Limited Obligations.

The Series 1990 Bonds, together with interest thereon, will be limited obligations of the City giving rise to no pecuniary liability of the City nor a charge against its general credit or taxing power, will be payable solely from the Special Facility Revenues and other moneys pledged therefor under the Indenture, and will be a valid claim of the respective Owners thereof only against the Bond Fund, the Construction Fund, the Debt Service Reserve Fund, the Special Facility Revenues and the moneys held by the Trustee under the Indenture. The Series 1990 Bonds will not in any respect be a general obligation of the City, nor are they payable in any manner from revenues raised by taxation. The Project will not be security for the Series 1990 Bonds, and the Series 1990 Bonds will not be secured by any other properties or improvements at the Airport or the Revenues (as defined in the City's General Airport Revenue Bond Ordinance) or any other revenues (other than Special Facility Revenues) derived by the City from the operation of the Airport generally.

[The Guaranty.]

[The Owners of the Series 1990 Bonds will be entitled to benefits of the Guaranty from the Airline to the Trustee, whereby the Airline will unconditionally guarantee to the Trustee for the benefit of the Owners of the Series 1990 Bonds payment of the principal and redemption price (including any premium) of and interest on the Series 1990 Bonds when and as due and payable. See "The Guaranty", "Bondholders' Risks" and "Enforceability of Revenues".]

The Agreement.

The following statements are a summary of certain provisions of the Agreement and do not purport to be complete. Reference is made to the Agreement for the complete provisions thereof.

Issuance Of The Series 1990 Bonds.

The Agreement will provide that the City will issue the Series 1990 Bonds to provide moneys for deposit and application as described under the captions "Plan of Finance" and "The Indenture".

Payments.

Pursuant to the Agreement, the Airline will agree to pay to the Trustee amounts sufficient to pay when due the principal of and interest and redemption premium, if any, on the Series 1990 Bonds. Such payments will be made in the amounts and in the manner provided in the Indenture for the payment of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds whether at maturity, upon acceleration or upon redemption.

In addition, the Airline will agree to pay the reasonable expenses of the City incurred in connection with the City's duties and obligations under the Indenture and the reasonable fees and expenses of the Trustee in connection with the Series 1990 Bonds.

Obligations Absolute And Unconditional.

The Airline's obligations under the Agreement to pay the amounts due thereunder with respect to the Series 1990 Bonds will be absolute and unconditional and will not be subject to any defense other than payment or to any right of setoff, counterclaim, abatement or otherwise. See "Security for the Series 1990 Bonds -- Payment by Airline under the Agreement", "Bondholders' Risks" and "Enforceability of Remedies".

Assignment, Merger And Assumption Of Obligations Of The Airline; Ability Of Airline To Incur Debt.

Upon a valid assignment by the Airline of its rights under the Site Lease, the Airline will be permitted to assign the Agreement in whole or in part with the prior consent of the City, but without obtaining the consent of the Trustee, provided that (i) no assignment (other than as described in the next paragraph) will relieve the Airline from liability for any of its obligations under the Agreement [or the Guaranty]; (ii) the assignee will assume in writing the obligations of the Airline under the Agreement to the extent of the interest assigned; and (iii) the Airline will, at least five days prior to any such assignment, provide the City and the Trustee with written notice thereof.

The Airline will be permitted to consolidate with or merge into another corporation, provided that (i) the resulting, surviving or transferee corporation is a solvent corporation and assumes in writing all of the obligations of the Airline under the Agreement, and (ii) if such corporation is not organized and existing under the laws of the United States or any State or territory thereof or the District of Columbia, it delivers to the City an irrevocable consent to service of process and jurisdiction.

Neither the Site Lease, the Agreement, nor the Indenture [nor the Guaranty] will contain any restriction on the ability of the Airline to incur debt or, except as described in the preceding paragraphs, to sell or otherwise transfer any portion of its assets.

Tax Covenants.

The Airline will covenant that, so long as any of the Series 1990 Bonds remain outstanding, moneys on deposit in any Indenture fund in connection with the Series 1990 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 1990 Bonds or from any other source, will not be used in a manner which will cause the Series 1990 Bonds to be "arbitrage bonds" within the meaning of the Code.

The Airline will covenant that it will not knowingly take or authorize or permit, to the extent such action is within its control, any action to be taken with respect to the Project, or the proceeds of the Series 1990 Bonds, insurance, condemnation, or any other proceeds derived directly or indirectly in connection with the Project, which will result in the loss of the exclusion of interest on the Series 1990 Bonds from the federal gross income of the Owners of the Series 1990 Bonds under Section 103 of the Code (except for any Series 1990 Bond during any period that such Series 1990 Bond is held by a person referred to in Section 147(a) of the Code). The Airline also will not knowingly omit or take any action in its power which, if omitted, would cause the above result.

Defaults.

The Agreement will provide that the occurrence of any one or more of the following events shall constitute a "default" thereunder and each such default after the giving of notice, if any, the passage of time, if any, or the occurrence of an event, if any, specified below, shall constitute an "event of default":

(a) failure by the Airline to pay amounts with respect to principals of or interest or redemption premium, if any, on the Bonds when due, which failure continues for a period of five business days and results in an event of default under the Indenture attributable to the failure to pay principal of or interest or redemption premium, if any, on the Bonds when due;

(b) failure by the Airline to restore the required balance in the Debt Service Reserve Fund on the fifth business day after the Trustee notifies the Airline of such deficiency;

(c) any material breach by the Airline of any of its representations or warranties made in the Agreement or failure by the Airline to observe or perform any of its covenants, conditions, or agreements made on its part to be observed or performed under the Agreement, other than as referred to in paragraphs (a) and (b) above, for a period of 60 days after written notice specifying such breach or failure and requesting that it be remedied, from the Trustee, unless (i) the Trustee or, with regard to certain rights, the City, shall agree in writing to an extension of such time prior to its expiration, or (ii) if the breach or failure is such that it can be corrected but not within the applicable period, corrective action is instituted by the Airline within such period and is being diligently pursued; or

(d) certain events of bankruptcy, dissolution, liquidation or reorganization with respect to the Airline.

The foregoing provisions of paragraph (c) will be subject to the following limitations: If by reason of "force majeure" (as defined in the Agreement) the Airline is unable in whole or in part to carry out its agreements on its part contained in the Agreement, other than the obligations on the part of the Airline to make payments under the Agreement, the Airline will not be deemed in default during the continuance of such inability. The Airline will agree, however, to remedy with all reasonable dispatch the cause or causes preventing the Airline from carrying out its agreement; provided that the settlement of strikes, lockouts and other disturbances will be entirely within the discretion of the Airline and the Airline will not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of the opposing party or parties when such course is in the sole judgment of the Airline unfavorable to the Airline; and provided further that a breach of the covenants set forth in the Agreement with respect to the tax-exempt status of interest on the Bonds will not constitute an event of default subject to acceleration hereunder.

Remedies.

The Agreement will provide that, upon the occurrence and continuation of an "event of default", except as provided in the following paragraph with respect to Unassigned Rights, the Trustee, as assignee of the City, (a) shall declare all amounts payable under the Agreement to be immediately due and payable if concurrently with or prior to such declaration, the unpaid principal amount of the Bonds has been declared to be due and payable, and (b) may take whatever action at law or in equity may appear necessary or desirable to enforce the Agreement; provided that the Trustee, as assignee pursuant to the Indenture of certain of the City's rights under the Agreement, will not have or be entitled to exercise any rights of entry, re-entry, eviction, reletting, or similar rights with respect to the Project, all such rights generally being exercisable solely by the City pursuant to the Site Lease, except to the extent of certain rights to cure certain defaults and replace the Airline with another tenant as provided in the Site Lease. The Airline will acknowledge that rents payable by any such replacement tenant will be applied first to satisfy its obligations under the Site Lease and only the excess, if any, will be available for payment of its obligations under the Agreement with respect to payment of principal of and interest on the Bonds. The City and the Airline will agree that any such excess rents may be deemed Special Facility Revenues under the Indenture and the Agreement and, to the extent they are paid to the Trustee, shall be deposited in the Special Facility Revenue Fund established under the Indenture and credited against the amounts payable by the Airline pursuant to the Agreement.

Certain of the City's rights under the Agreement, including its rights to indemnity and to the payment of its expenses, will not be assigned to the Trustee ("Unassigned Rights") and will be enforceable by the City in its own name and for its own account. In the enforcement of such rights the City's remedies are limited to suits for damages and specific performance and the City may not cause acceleration of payments under the Agreement to enforce such rights.

The City will have no power to waive any default by the Airline under the Agreement, except a default with respect to Unassigned Rights (which the City may waive unilaterally), without the consent of the Trustee to such waiver. The Trustee will have power to waive any default by the Airline under the Agreement, except a default with respect to Unassigned Rights, without the prior written concurrence of the City. Notwithstanding the foregoing, if after the acceleration of the maturity of the outstanding Bonds by the Trustee pursuant to the Indenture, all arrears of interest on the outstanding Bonds and interest on overdue installments of interests (to the extent permitted by law) at the rate of interest borne by the Bonds and the principal of or interest or redemption premium, if any, on all Bonds then outstanding that have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of and the interest on such Bonds that by such acceleration shall have become due and payable, shall have been paid, any and all other events of default under the Indenture shall have been cured or waived in accordance with the provisions of the Indenture, there shall have been paid the reasonable fees and expenses of the Trustee and of the Owners of such Bonds, including reasonable attorneys' fees paid or incurred and such event of default under the Indenture shall be waived in accordance with the Indenture with the consequence that such acceleration under the Indenture is rescinded, then the Airline's default under the Agreement will be deemed to have been waived and its consequences rescinded and no further action or consent by the Trustee or the City shall be required. See "The Indenture -- Defaults".

Consent To Service Of Process And Jurisdiction; Waiver Of Sovereign Immunity.

The Agreement will include the Airline's consent to service of process and federal court jurisdiction in the Northern District of Illinois and the Airline also will waive any rights that it may now or hereafter have based upon principles of sovereign immunity subject to its right to remove actions brought in other courts to federal court in the Northern District of Illinois.

Amendments.

The Agreement may be amended subject to the limitations contained in the Indenture. See "The Indenture -- Amendments to the Agreement".

The Site Lease.

The following statements are a summary of certain provisions of the Site Lease and do not purport to be complete. Reference is made to the Site Lease for the complete provisions thereof. The Project will not be security for the Series 1990 Bonds, and the Series 1990 Bonds will not be secured by any other properties or improvements at the Airport or the Revenues (as defined in the City's General Airport Revenue Bond Ordinance) or any other revenues (other than the Special Facility Revenues) derived by the City from the operation of the Airport generally. See " Security for the Series 1990 Bonds" [and "The Guaranty"].

General.

Pursuant to the Site Lease, the City will lease the Site and the improvements thereon to the Airline. The City will use reasonable efforts to deliver possession of the Site to the Airline upon completion of the service road and utilities serving the Site, which is projected to be completed by December 1, 1990, or upon such earlier date as the City and the Airline agree.

Construction Of Improvements.

After obtaining all required approvals, licenses, and permits, the Airline will construct the Project on the Site and such other related improvements as are appropriate and necessary for the Airline to conduct the business of air transportation of freight on the Site (the "Improvements"). The Improvements will be designed and constructed by the Airline in accordance with the provisions of the Site Lease. The Airline will pay its allocable share of the cost of the Improvements in certain common areas. The title to the Improvements, including the Project, will vest in the City.

Term.

The term of the Site Lease will be for a period commencing on the date on which the City delivers possession of the Site to the Airline (expected to occur no later than December 1, 1990) and terminating on May 11, 2018.

Use.

The Site Lease provides that the Site may be used by the Airline primarily for the business of the air transportation of freight. Non-cargo reservation offices and administrative offices may be located on the Site so long as such use is incidental to the primary use of air transportation of freight and does not become a primary or significant use. Passengers may be handled at the Site only in irregular operation situations.

Rent.

The Site Lease requires the Airline to pay to the City rent for the Site of $.45 per square foot per year, one-twelfth of which will be payable not later than the first business day of each month. Up to $.10 per square foot of the rent paid by the Airline will be applied by the City to operation and maintenance expenses related to the common areas of the Airport's cargo area. Each year, the rent will be increased in proportion to that year's increase in the Producer Price Index (as defined in the Site Lease). The Airline also will pay to the City each month one-twelfth of its pro rata share of the City's costs of operating and maintaining certain common areas, in excess of an amount equal to $.10 per square foot of the Site.

Insurance.

The Site Lease provides that the Airline will maintain, at its own expense, workers' compensation and occupational disease insurance in amounts as required by the State of Illinois; commercial general liability insurance with limits of not less than $25 Million per occurrence, naming the City as an additional insured, and including contractual liability coverage, and if available at commercially reasonable rates, products/completed operation, independent contractors, explosion, collapse, underground, and pollution coverages; automobile liability insurance with limits of not less than $5 Million per occurrence, naming the City as an additional insured; all risk property insurance, in the amount of the full replacement value of the Site, naming the City as an additional insured; professional liability insurance for any architects or engineers who perform work in connection with the Improvements, with limits of $1 Million; and all risk builder's risk insurance during the construction of any improvements to the Site.

Pursuant to the Site Lease, the Commissioner of Aviation of the City (the "Commissioner") maintains the right to change these insurance requirements to address those risks that would be insured by prudent airport operators of a business similar to that operated on the Site by the Airline.

Taxes.

The Site Lease provides that the Airline will be responsible for paying directly to the appropriate taxing agency all applicable taxes levied against the Site. The Site Lease permits the Airline to contest such taxes, including those enacted or promulgated by the City.

Sublease, Assignment, Or Other Transfer Of Site.

The Airline generally may not, without the prior written consent of the Commissioner, which may be withheld in the Commissioner's sole and absolute discretion, sublet the Site or any part thereof, assign or transfer the Site Lease or allow it to be transferred, or permit the Site to be used or occupied for purposes not provided for in the Site Lease or by anyone other than the Airline.

The Airline may, with the prior written consent of the Commissioner, which may not be unreasonably withheld, sublet portions of the Site to any of its majority-owned subsidiaries engaged in the business of air transportation of freight, to any party subleasing space for the sole and exclusive purpose of providing handling services at the Site or limited amounts of space on the Site to any other party conducting the business of air transportation of freight at the Site.

Maintenance.

The Airline will be responsible for performing or causing to be performed maintenance and repair of the Improvements. The Airline will agree to replace any portion of the structure of any buildings on the Site that may be destroyed or need replacement due to use or wear and tear.

Utilities And Services.

The Site Lease provides that the Airline will be responsible for payment of all costs of water, electricity, natural gas, telephone services and all other utility services for the Site.

Defaults And Remedies.

If the Airline defaults in the prompt payment of rent or of any amount due under the Site Lease, and such default continues for 10 days after the same becomes due; or if the Airline defaults in performing any covenants or agreements under the Site Lease, and such default continues for 30 days after written notice is given to the Airline; or if the Airline files a petition in bankruptcy or certain other acts of insolvency occur; or if the Airline abandons or vacates the Site; then, with 60 days' advance notice the City may treat one or more of the foregoing events as a breach of the Site Lease, and may either terminate the Site Lease, in which case all rent will become immediately due, or terminate the Airline's right of possession and may repossess the Site by forcible entry and detainer suit, without terminating the Site Lease or releasing the Airline from payment of rent for the full term.

If the Airline defaults in its obligations as described above, the Trustee may cure such default within the provided time periods and replace the Airline with another tenant or tenants, subject to the prior written approval of the Commissioner. The rent payable by such replacement tenant will be applied first to satisfy the Airline's obligation under the Site Lease and the excess, if any, will be payable to the Owners of the Bonds.

If the City defaults in the performance of any material covenant or agreement under the Site Lease or in any other agreement between the City and the Airline relating to the Site and fails to remedy such default, or to take prompt action to remedy such default, within a period of 60 days after receipt from the Airline of notice to remedy the same, then the Airline may terminate the Site Lease, provided the Airline is not at such time in default in the payment of any amount due from it to the City and there are no other contrary restrictions on such termination in the Site Lease or any other document related to the Site.

Termination By Airline.

If the Airline is not at the time in default in the payment of any amount due from it to the City or in default of any other material obligation under the Site Lease and neither the Site Lease nor any other document related to the Site contains any contrary restrictions, the Airline may terminate the Site Lease if its business or operations are inhibited by certain governmental authorities or by court injunction. A termination of the Site Lease by the Airline will not affect the Airline's obligations under the Agreement [or the Guaranty].

Release And Indemnification.

The City will not be liable to the Airline, or the Airline's agents, representatives or employees, for any injury, death, or property damage caused by any third person in the maintenance, construction or operation of facilities at the Airport, or caused by the City or any third person using the Airport, unless due to the negligence of the City. The City will not be liable to the Airline for damage to the property of the Airline or any loss of revenues to the Airline resulting from the City's acts or omissions in the maintenance and operation of the Airport except those caused by the negligence or willful misconduct of the City.

The Airline generally will indemnify and hold the City harmless against liability resulting from injury or death or property damage, except to the extent caused by the negligence of the City, arising out of the condition of the Site or arising directly from, or in any way occurring in connection with any work done by or at the direction of the Airline for the benefit of the Site.

Amendments.

The Site Lease may be amended by the parties thereto without the consent of the Trustee or the Owners of the Series 1990 Bonds.

The Indenture.

The following is a summary of certain provisions of the Indenture and does not purport to be complete. Reference is made to the Indenture for the complete provisions thereof.

Pledge And Security.

Pursuant to the Indenture, (i) the Agreement, together with all the City's interest therein (except for Unassigned Rights), and (ii) all payments to be received by the City under the Agreement (other than with respect to Unassigned Rights) and all investment earnings thereon will be assigned and pledged to the Trustee to secure the payment of the Bonds.

Application Of Construction Fund.

As described under the caption "Plan of Finance", a portion of the net proceeds of the Series 1990 Bonds will be deposited in the Construction Fund established under the Indenture. The Construction Fund will include the following accounts: (i) the Costs of Issuance Account; (ii) the Capitalized Interest Account; and (iii) the Construction Account. Moneys held in the Capitalized Interest Account will be used for the purpose of paying interest, other than accrued interest, on the Series 1990 Bonds before the completion of the Project. Moneys in the Construction Account will be applied pursuant to the Agreement to the payment of the costs of the Project.

The Airline will covenant to complete the acquisition and construction of the Project as soon as practicable. The completion of the Project will be evidenced by the submission by the Airline to the Trustee of a completion certificate. Moneys remaining in the Construction Fund at the time such certificate is delivered may be (i) used to pay any cost of the Project or any additions thereto, as the case may be, not then due and payable, (ii) transferred to the Principal Account in the Bond Fund created under the Indenture and applied (A) to the redemption of Bonds on the earliest practicable redemption date permitted or (B) for the payment of principal of the Bonds (subject to receipt of an approving opinion of Bond Counsel as defined in the Indenture), (iii) transferred to the Construction Account in the Construction Fund and applied to the costs of other additions to the Project, (subject to receipt of an approving opinion of Bond Counsel), or (iv) transferred to (A) the Interest Account in the Bond Fund or (B) the Capitalized Interest Account in the Construction Fund and applied to the payment of interest on the Bonds (subject to receipt of an approving opinion of Bond Counsel).

Application Of Special Facility Revenue Fund.

Payments made by the Airline under the Agreement (except for certain payments to the City and the Trustee) [and under the Guaranty] will be remitted directly to the Trustee for the account of the City and deposited in the Special Facility Revenue Fund established under the Indenture. Moneys in the Special Facility Revenue Fund will be disbursed by the Trustee to the Bond Fund, the Debt Service Reserve Fund and the Rebate Fund as provided in the Indenture.

Application Of Bond Fund.

The Bond Fund, into which will be deposited (i) accrued interest on the Bonds to the date of their delivery, (ii) the amounts derived under the

Agreement with respect to the payment of principal of and interest and redemption premium, if any, on the Bonds, (iii) certain amounts transferred from the Construction Fund and the Debt Service Reserve Fund and (iv) certain other amounts specified in the Indenture, will be maintained with the Trustee. Moneys in the Bond Fund will be used solely for the payment of the principal of and interest and redemption premium, if any, on the Bonds.

All moneys required to be paid to the Trustee for the account of the Bond Fund will be held by the Trustee in trust and, except for moneys for the redemption of Bonds, notice of the redemption of which has been duly given or waived, will be part of the trust estate and will be subject to the lien of the Indenture.

Debt Service Reserve Fund.

As described under the caption "Security for the Series 1990 Bonds -- Debt Service Reserve Fund", a portion of the net proceeds of the Series 1990 Bonds will be utilized to fund the Debt Service Reserve Fund established under the Indenture, which thereafter must be maintained in an amount equal to the Debt Service Reserve Requirement for the Series 1990 Bonds.

Rebate Fund.

The Rebate Fund will be established under the Indenture and will be maintained as a separate fund free and clear of the lien of the Indenture. The Trustee will be permitted to transfer moneys on deposit in any of the funds or accounts established under the Indenture in order to satisfy the Airline's rebate obligations to the United States of America.

Investments.

Any moneys held as part of the Bond Fund, the Construction Fund, the Debt Service Reserve Fund or the Special Facility Revenue Fund will be invested by the Trustee at the direction of the Airline as provided in the Indenture. Neither the Trustee nor the City will be responsible or liable for any loss resulting from any such investments or resulting from the sale of such investments as authorized under the Indenture. The Indenture will require that the Trustee determine the value of obligations or other investments in the Debt Service Reserve Fund at least once each year. Under the Agreement the Airline will agree to restore the required balance in the Debt Service Reserve Fund no later than the fifth business day after the Trustee notifies the Airline of such deficiency.

The Airline will covenant in the Agreement that no moneys on deposit in any fund or account in connection with the Bonds, and the City, to the extent it has any control over the use of Bond proceeds, will covenant in the Indenture that no moneys held thereunder will be used in any manner that would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code.

Non-Presentment Of Bonds.

In the event any Bond is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if moneys sufficient to pay such Bond have been deposited in the Bond Fund, all liability of the City to the Owner thereof for the payment of such Bond will cease. The Trustee will hold such moneys, without liability for interest, for the benefit of the Owner of such Bond, who will thereafter be restricted exclusively to such moneys. Such moneys will be held in a separate and segregated fund and will not be invested. Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds for at least two years after the date on which the Bonds have become due will, at the Airline's direction, be paid by the Trustee to the Airline. Thereafter, Owners will be entitled to look only to the Airline for payment, but only to the extent of the amount so repaid to the Airline. The Airline will not be liable for any interest thereon and will not be regarded as a trustee of such moneys.

The obligation of the Trustee to pay any such funds to the Airline will be subject, however, to any provisions of law applicable to the Trustee or to such funds setting forth requirements for disposition of unclaimed property.

Defaults.

The Indenture will provide that the occurrence of any one or more of the following events will constitute a "default" under the Indenture and each such default, after the giving of notice, if any, the passage of time, if any, or the occurrence of an event, if any, specified below, will constitute an "event of default":

(a) failure to make payment of any installment of interest on any Bond when due and payable;

(b) failure to make due and punctual payment of the principal of any Bond when the same shall have become due and payable, whether at the stated maturity thereof, upon redemption thereof or upon the maturity thereof by declaration;

(c) the occurrence of an "event of default" under the Agreement as described in paragraphs (b) or (c) under the caption "The Agreement -- Defaults", other than events of default thereunder relating to the City's Unassigned Rights; or

(d) the occurrence of certain events of bankruptcy, dissolution, liquidation or reorganization relating to the Airline, as described in paragraph (d) under the caption "The Agreement -- Defaults".

If an event of default under (a), (b) or (c) above has occurred and is continuing, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then outstanding shall, by notice in writing to the City and the Airline, and upon the occurrence and continuation of any event of default described under (d) above without notice to the Airline, declare the principal of all of the Bonds outstanding, plus the accrued interest to the date of acceleration, to be due and payable immediately.

Upon the occurrence of an event of default, the Trustee also may pursue any remedy available to it at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Trustee may rescind an acceleration and its consequences if (i) all existing events of default have been cured or waived, (ii) all payments due the Trustee together with reasonable fees and expenses of the Trustee and Owners of the Bonds have been made and (iii) if such acceleration was at the request of the Owners of not less than 25% in aggregate principal amount of outstanding Bonds, the Owners of a majority in aggregate principal amount of outstanding Bonds consent.

The Trustee may in its discretion waive any event of default under the Indenture and rescind its consequences and shall do so upon the written request of the Owners of not less than a majority in aggregate principal amount of all outstanding Bonds; provided that there shall not be waived any event of default in the payment of the principal of or interest or redemption premium, if any, on any Bonds unless prior to such waiver and rescission all amounts in default, together with reasonable expenses of the Trustee and of the Owners of such Bonds, including reasonable attorneys' fees paid or incurred, shall have been paid or provided for.

The Owners of a majority in aggregate principal amount of the Bonds then outstanding will have the right, by written instrument delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings to be taken by the Trustee under the Indenture, but the direction must comply with law and the Indenture.

No Owner of any Bond will have the right to pursue any remedy under the Indenture or the Bonds unless (i) an event of default has occurred and is continuing of which the Trustee has been notified or is deemed to have or is required to take notice as provided in the Indenture, (ii) the Owners of at least 25% in aggregate principal amount of the Bonds outstanding have made written request to the Trustee to pursue such remedy and have provided the Trustee with indemnity as provided in the Indenture and (iii) the Trustee does not comply with such request within 60 days after receipt of such request and offer of indemnity.

Supplemental Indentures.

The Indenture will provide that the City and the Trustee may, without notice to or the consent of any Owner of the Bonds, enter into supplemental indentures for any of the following purposes:

(a) to create and provide the applicable terms and conditions with respect to any series of Bonds in addition to the Series 1990 Bonds;

(b) to add to the covenants and agreements of, and limitations and restrictions upon, the City in the Indenture other covenants, agreements, limitations and restrictions to be observed by the City that are not contrary to or inconsistent with the Indenture as theretofore in effect;

(c) to grant to or confer or impose upon the Trustee for the benefit of the Owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted, conferred or imposed and that are not contrary to or inconsistent with the Indenture as theretofore in effect;

(d) to cure any ambiguity, defect or omission in or to cure, correct or supplement any defective provisions of the Indenture or otherwise correct or supplement the Indenture in such manner as will not materially impair the security of the Indenture or adversely affect the Owners of the Bonds;

(e) to evidence the appointment of a separate Trustee or a co-trustee, authenticating agent or co-bond registrar, or to evidence the succession of a new Trustee;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as amended;

(g) to subject to the Indenture additional revenues, properties or collateral;

(h) to provide for a paying agent in addition to the Trustee;

(i) to change the definition of "Investment Securities" under the Indenture; or

(j) to make any other change that shall not be to the material prejudice of the Owners of the Bonds or the Trustee.

The Owners of not less than a majority in aggregate principal amount of the outstanding Bonds will have the right to consent to the execution by the City and the Trustee of any other supplemental indentures except that no supplemental indenture shall:

(a) extend the maturity of the principal of or the interest on any Bond;

(b) reduce the principal amount of, the rate of interest on or the amount of premium payable on the redemption of, any Bond; or

(c) effect a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or

(d) reduce the principal amount of Bonds required for consent to any such supplemental indenture.

Any supplemental indenture that affects any rights or obligations of the Trustee under the Indenture will not become effective without the consent of the Trustee.

Amendments To The Agreement.

The City and the Airline may, with the written consent of the Trustee, but without the consent of or notice to the Owners of the Bonds, enter into any amendment of the Agreement as may be required (i) by the provisions of the Agreement or the Indenture, (ii) to make any changes in the Agreement, including, without limit, any change for the purpose of curing any ambiguity, formal defect or formal omission, provided that such change does not materially prejudice the Owners of the Bonds, or (iii) to add additional rights acquired in accordance with the provisions of the Agreement. Amendments to the exhibits to the Agreement may be made without the consent of the Owners or the Trustee. Neither the City nor the Airline will enter into any amendment of the Agreement other than as provided above without the mailing of notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the outstanding Bonds; provided that nothing in the Indenture shall permit an extension of the time of payments due or reduction in the amounts payable under the Agreement with respect to the principal of or interest or redemption premium, if any, on the Bonds.

Discharge Of Indenture.

The Indenture will provide that, if the City pays or causes to be paid, or there is otherwise paid or provision for payment is made by the deposit of moneys or Governmental Obligations (defined below) to or for the benefit of the Owners of the Bonds, the principal or interest or redemption premium, if any, due or to become due thereon, and if, the City pays or causes to be paid to the Trustee all sums of money due or to become due according to the provisions of the Indenture, then the estate and rights granted by the Indenture will cease and be void and the lien of the Indenture will be discharged and defeased. After that, Owners of the Bonds must look only to such deposited moneys and/or Governmental Obligations for payment of principal of or interest or redemption premium, if any, on the Bonds.

"Governmental Obligations" means (i) any bonds or other obligations of the United States of America that as to principal and interest constitute direct obligations of the United States of America or the full and timely payment of which are unconditionally guaranteed by the United States of America, are noncallable and at the time of investment are legal investments under the laws of the State of Illinois for the moneys proposed to be invested therein or (ii) securities or receipts evidencing ownership interests in obligations or portions thereof (such as principal or interest) of obligations described in clause (i).

[The Guaranty.]

[The following statements are a summary of certain provisions of the Guaranty and do not purport to be complete. Reference is made to the Guaranty for the complete provisions thereof.]

[Guaranty Of The Bonds.]

[The Airline will execute and deliver to the Trustee the Guaranty, pursuant to which it will unconditionally guarantee to the Trustee for the benefit of the Owners of the Series 1990 Bonds: (i) the full and prompt payment of the principal of the Series 1990 Bonds when due, whether at the stated maturity thereof or upon mandatory or optional redemption or otherwise, and (ii) the full and prompt payment of interest and redemption premium, if any, on the Series 1990 Bonds when due. The obligations of the

Airline will be unconditional and will remain in effect until the entire principal of and interest on the Series 1990 Bonds shall have been paid in full or such Series 1990 Bonds have been duly redeemed.]

[Consent To Service Of Process And Jurisdiction; Waiver Of Sovereign Immunity.]

[The Guaranty will include the Airline's consent to service of process and federal court jurisdiction in the Northern District of Illinois and the Airline also will waive any rights that it may now or hereafter have based upon principles of sovereign immunity, subject to its right to remove actions brought in other courts to federal court in the Northern District of Illinois.]

Bondholders' Risks.

Certain Risks Related To The Airline.

The primary source of the payments of the principal of and interest and redemption premium, if any, on the Series 1990 Bonds will be the payments made by the Airline under the Agreement. See "Security for the Series 1990 Bonds -- Payments by the Airline under the Agreement". There is no assurance that the Airline will be able to meet all of its obligations under the Agreement or the Site Lease throughout their terms.

The Airline experienced a loss for the first six months of 1990. For information concerning the business and financial condition of the Airline, see "Appendix A -- Compagnie Nationale Air France", and the documents referred to therein. The information included and referred to in Appendix A has been furnished by the Airline. The City has made no independent investigation or verification of the information or opinions contained in Appendix A or to which reference is made therein. The City and the Underwriters do not represent or warrant that such information is accurate or complete for any purpose.

As described under the captions "The Agreement -- Remedies" and "The Site Lease -- Defaults and Remedies", if the Airline defaults on its obligations under the Site Lease, the Trustee may replace the Airline with another tenant and the rent payable by such replacement tenant will be applied first to satisfy the Airline's obligations under the Site Lease and the excess, if any, will be payable to the Owners of the Bonds. While the Airline's obligations under the Agreement and the Site Lease will continue even if a replacement tenant is found, there is no assurance that a replacement tenant could be found, or that the rents paid by such replacement tenant would be sufficient to make payments of principal of and interest and redemption premium, if any, on the Series 1990 Bonds.

Bankruptcy Issues.

See "Enforceability of Remedies" for a discussion concerning certain bankruptcy risks related to the Series 1990 Bonds.

Possible Loss Of Tax-Exempt Status.

In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, except as to Series 1990 Bonds held by a "substantial user" or a "related person". See "Tax Matters". If the Series 1990 Bonds are finally determined to be taxable, the Series 1990 Bonds will be subject to mandatory redemption as described under the caption "The Series 1990 Bonds -- Redemption Prior to Maturity -- Mandatory Redemption Upon Determination of Taxability". There will be no adjustment of the rate at which the Series 1990 Bonds bear interest, and the Owners will not be indemnified against losses sustained as a result of the interest on the Series 1990 Bonds' ceasing to be excluded from gross income for federal income tax purposes.

Enforceability Of Remedies.

The remedies available to the Trustee, the City and the Owners of the Series 1990 Bonds upon an event of default under the Agreement or the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the Agreement and the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 1990 Bonds will be qualified as to the enforceability of the various instruments by limitations imposed by principles of equity and by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

If a proceeding is commenced under the United States Bankruptcy Code (the "Bankruptcy Code") with respect to the Airline, a bankruptcy court might determine that the Agreement is an executory contract pursuant to Section 365 of the Bankruptcy Code. In that event, a trustee in bankruptcy or a debtor-in-possession might reject the Agreement. Under the

Bankruptcy Code, any rejection of the Agreement could result in a claim for damages, which claim would rank as that of a general unsecured creditor. The amount of such claim could be limited to the amounts payable under the Agreement, without acceleration, for the greater of one year or 15% of the remaining term of the Agreement, but not in excess of three years, following the date of the commencement of the bankruptcy case, plus any delinquent payments under the Agreement, without acceleration, as of the commencement date. Moreover, the ability of the Trustee to recover on the Guaranty could be limited or restricted under the Bankruptcy Code. [Certain bankruptcy courts have held in situations where lessees also have guaranteed their payment obligations that the guaranties will not be enforced to allow the claimant to recover more than the statutory limit of damages under executory contracts. A bankruptcy court similarly could consider the Guaranty to be part of an overall leasing transaction, in which case the Trustee could have only a limited ability to recover against the Airline on account of the Guaranty. Further, the Trustee's claim against the Airline of the Guaranty could be disallowed by the bankruptcy court if it found such claim to be duplicative of claims made by the City against the Airline.]

Litigation.

Except for those matters described below, there is no litigation pending or threatened against the City relating to the Airport other than various legal proceedings arising out of the ordinary course of business of the Airport and having no material impact on the financial condition of the Airport. Upon the delivery of the Series 1990 Bonds, the City will furnish a certificate to the effect that, among other things, there is no litigation pending in any court seeking to restrain or enjoin the issuance or delivery of the Series 1990 Bonds, or in any way contesting the validity or enforceability of the Series 1990 Bonds, the Agreement [, the Guaranty] or the Site Lease.

Two lawsuits are pending against the City in the United States District Court for the Northern District of Illinois, each concerning the City's regulation of ground transportation to and from the Airport. The complaints allege, among other things, violations of the Sherman Antitrust Act and seek damages and certain other relief relating to such regulation.

The following three lawsuits against the City contain claims based on noise and other effects of aircraft operations arising out of the operation of the Airport. These lawsuits are more fully described as follows:

1. *Bieneman v. City of Chicago, et al.* (United States District Court for the Northern District of Illinois) No. 84 C 10388. This civil action, filed December 4, 1984, as a class action on behalf of all people affected by the Airport sought damages for personal injuries and property damage

allegedly resulting from operations at the Airport, primarily from noise and air pollution associated with airplane operations. The complaint, as amended, alleged that the class of plaintiffs included "several hundred thousand members" and alleged damages related to civil rights claims in an amount in excess of $10,000 for each member. Punitive damages and awards based upon inverse condemnation were also sought. Plaintiff also sought an injunction requiring implementation of alternatives to increased aircraft operations at the Airport and requiring mitigation measures at the Airport to reduce the continuing injuries which plaintiff claimed. The personal injury count is based on the Civil Rights Act, 42 U.S.C. Section 1983. The property damage claim was based on the theory of inverse condemnation. Another count sought relief against various airline defendants. Relief was also sought on a variety of other state law and constitutional theories. By memorandum opinion and order dated June 8, 1987, the district court granted the City's motion to dismiss. Plaintiff appealed this judgment to the United States Court of Appeals. On February 3, 1988, the United States Court of Appeals dismissed this appeal for lack of jurisdiction because the District Court had not disposed of the class allegations. On June 24, 1988, the District Court ruled that the suit cannot be maintained as a class action and entered a final judgment order dismissing the case. On December 13, 1988, the United States Court of Appeals affirmed the judgment of the District Court to the extent that it found all claims under the United States Constitution to be barred, rejected claims under 42 U.S.C. Section 1983 and held that class certification should be denied, but vacated the District Court judgment to the extent that it held that claims under state law are preempted, and remanded the case to the District Court with instructions to relinquish jurisdiction so that the plaintiff "may pursue his state-law contentions in state court". The effect of the Court of Appeals decision is complete dismissal of this case on all grounds. The court's holding with respect to preemption leaves open the possibility that the plaintiff in this case can proceed to state court and seek damages there under state tort law theories. The United States Supreme Court denied certiorari and this litigation is concluded.

2. *Biddison v. City of Chicago, et al.* (United States District Court for the Northern District of Illinois) No. 85 C 10295. On December 11, 1985, plaintiff filed an eight-count complaint against the City, officials of the City and seven domestic airlines which is virtually the same as the first amended complaint in *Bieneman*. Plaintiff seeks unspecified actual damages against the City in excess of $10,000. On June 8, 1987, by memorandum opinion and order, District Court granted the City's motion to dismiss all claims except as to the count based upon an inverse condemnation claim. As to this count, the City has filed a motion for summary judgment based upon the statute of limitations. On July 28, 1989, the District Court granted the City's motion for summary judgment, and dismissed all remaining counts of the complaint. As a result, all proceedings in the District Court in this case have been concluded. Plaintiff has appealed to the U. S. Court of Appeals for the Seventh Circuit

from the District Court's order granting summary judgment for the City. The matter has been briefed by the parties. Oral arguments were heard on October 2, 1990. No date has been set for decision.

3. *People of the State of Illinois ex rel. James E. Ryan, State's Attorney of DuPage County, et al. v. The City of Chicago, et al.* (Circuit Court for the Eighteenth Judicial Circuit, Du Page County, Wheaton, Illinois) No. 89 MR 0314. This Complaint for Declaratory Judgment, Damages and Other Relief was filed on June 12, 1989, by the People of the State of Illinois by the State's Attorney, the Regional Board of School Trustees of Du Page County, the Superintendent of Schools of Du Page County and several Du Page County school districts. The defendants are the City and six of the airlines which provide service at the Airport. The Complaint has 11 counts alleging deprivation of students' rights to education, interference with and impairment of statutory and regulatory obligations, continuing nuisance, taking of property in violation of the Constitution of Illinois, and damaging of property. The suit also seeks a declaratory judgment that certain defenses relied upon by the City in prior litigation are invalid. In addition to declaratory relief, damages in excess of $1,000,000 are claimed and injunctive relief is requested. On August 30, 1989, the City filed a motion to dismiss the seven counts of the Complaint seeking relief against the City (the airline defendants have filed a motion to dismiss the counts seeking relief against them). On October 9, 1989, the City filed its brief in support of its motion to dismiss. Plaintiff's brief was filed on March 30, 1990. The City's reply brief was filed on April 30, 1990. The City's motion has been set for hearing on September 18, 1990. No date for decision has been set. On May 16, 1990, United Airlines, a co-defendent in the case, filed a motion for change of venue, which motion was denied on August 21, 1990, without prejudice to the refiling of the motion at a later time.

The *Biddison* and *Ryan* suits will be vigorously defended by the City. As of the date of this Official Statement, however, the City and its Special Counsel, Hopkins & Sutter, are unable to predict whether such litigation might result in the delay, modification or prevention of the implementation of the Project or the Airport Development Plan, or might result in substantial changes in the operation of the Airport or the flight operations it will handle, or whether any damages will be awarded against the City and the Airline defendents, or if such damages are awarded, the amount thereof. A judgment in the amounts claimed in these lawsuits would not have a substantial impact on the various Airport fees and charges, but if the principles of law on which Plaintiffs' claims are based are established by the courts, subsequent lawsuits based on those principles could result in aggregate damages which could have a substantial impact on the various fees and charges. The airline defendents are responsible for defending these lawsuits and for reimbursing the City for any resulting judgment.

In addition, there are, from time to time, lawsuits which arise out of the various construction contracts entered into in connection with various construction projects at the Airport.

Regulatory Proceedings And Proposed State Actions.

Federal Aviation Administration.

Since 1969, the Airport has operated under the F.A.A.'s "High Density Rule", which imposed limits on hourly aircraft operations. The F.A.A. amended the Rule effective June 1, 1984, increasing the number of operations permitted at the Airport from 135 operations per hour to 155 operations per hour while extending the hours during which restrictions are applicable. The amendment also resulted in a modification of the allocation of hourly operations among the three classes of users -- air carriers, commuter airlines and other categories. The F.A.A. has the power to regulate the number of operations at the Airport by various means in addition to the High Density Rule and has from time to time exercised those powers. It is not possible to predict whether, or the extent to which, the F.A.A. may from time to time modify, replace or remove operational limits applicable to the Airport.

Proposed State Actions.

A regulatory proceeding considering the issuance of proposed aircraft noise regulations was begun in 1977 and is still pending before the Illinois Pollution Control Board. On April 10, 1986, the Board issued a Proposed Opinion and Order of the Board which includes definitive proposed regulations. The Board may or may not adopt these regulations in the form proposed. However, if enacted in their present form, the proposed regulations could severely restrict operations at the Airport. The City's Special Counsel, Hopkins & Sutter, is of the opinion that the proposed regulations in their present form raise significant issues under existing case law and that portions of the proposed regulations may be found unenforceable by state or federal courts.

In 1988 the Illinois Department of Transportation ("I.D.O.T.") proposed to locate the planned Elgin-O'Hare expressway along the southwestern boundary of the Airport. Through November, 1989, I.D.O.T. and the City discussed the preferred alignment that the expressway should take. The City would not accept any alignment that would compromise or preclude future Airport development options. No agreement was reached regarding the Elgin-O'Hare expressway proposal. Although discussions are presently suspended, they are expected to revive at some time in the future. The resolution of this matter will not have an impact on completion of the Airport Development Plan.

Proposed Airport Oversight Board.

The Illinois General Assembly has in recent sessions considered, but failed to adopt, various proposed bills which, if adopted, would have created an airport authority with membership comprised of suburban and City representatives and having certain oversight authority over the Airport, or which would have had the effect of restricting operations at the Airport. Similar legislation can be expected to be introduced in future sessions of the General Assembly. It is expected that the City will continue to oppose such legislation.

Third Airport Feasibility.

In July, 1988, a study (the "1988 Study") sponsored by I.D.O.T., was completed concerning the advisability and feasibility of either constructing an additional airport or expanding an existing airport to service the Chicago Region. The 1988 Study concluded that unless an additional airport is built, a portion of total passenger demand in the Chicago Region by (or before) the year 2020 will not be accommodated at the City's airports. In order to evaluate the preliminary recommendation of the 1988 Study, I.D.O.T., in conjunction with the Federal Aviation Administration, has selected a consultant to conduct a second study relative to a site selection and master plan for a third airport (the "Site Study"). This Site Study will include a review of the forecasts of aviation demand developed in the 1988 Study and will include a report to a committee comprised of representatives of Illinois, Indiana and the City of Chicago as a result of the July 1990 Memorandum of Understanding (the "Bi-State Committee") which will evaluate the consultant's report taking into consideration environmental, financial feasibility, airspace, human resource implications, ground access, cost, and service capability factors and make a recommendation on a final site.

In February 1990, the City, on the basis of a feasibility study commissioned by the City, announced its support for the construction of a third commercial airport in the Lake Calumet area on the City's southeast side, approximately 14 miles southeast of the City's central business district. The Lake Calumet Airport may replace Midway Airport as a commercial air carrier facility and is anticipated to service domestic and international passenger and cargo traffic on a scale similar to that of the Airport. The Lake Calumet airport is projected to begin operations in the year 2010. It is not possible to predict at this time what impact the Lake Calumet Airport might have on the Airport.

On July 10, 1990, the states of Illinois and Indiana and the cities of Chicago, Illinois and Gary, Indiana, in cooperation with the U.S. Department of Transportation, jointly announced the expansion of the membership of the Bi-State Committee from eight to twelve members with three of the additional members being selected by the City of Chicago and the fourth member, who will serve as Committee chairman, being selected by the unanimous agreement of the Governors of Illinois and Indiana and the Mayor of Chicago. In addition, it was announced that the Site Study will now include in its evaluation the City's Lake Calumet airport site, along with the four other sites previously identified as possible locations for a third airport in the Chicago Region.

Tax Matters.

Tax Exemption.

Co-Bond Counsel are of the opinion that under existing statutes, regulations and judicial decisions, the interest on the Series 1990 Bonds is excludable from the gross income of the Owners thereof for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on any Series 1990 Bond during any period while a Series 1990 Bond is held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. It should be noted, however, that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and the environmental tax imposed on corporations prior to January 1, 1992 under Section 59A of the Code. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City and Airline comply with the Code and all of their representations, warranties and covenants set forth in the Indenture and the Arbitrage Compliance Agreement dated as of October 1, 1990 between the Airline, the City and the Trustee that must be satisfied subsequent to the issuance of the Series 1990 Bonds in order that interest thereon be, or continue to be, excludable from the gross income of the Owners thereof for federal income tax purposes. In the opinion of Co-Bond Counsel, the Code, other applicable law and such representations, warranties and covenants establish procedures which, if followed, enable interest on the Series 1990 Bonds to be, and continue to be, excludable from the gross income of the Owners thereof for federal income tax purposes. Failure to comply with the Code, other applicable law and such representations, warranties and covenants may cause the interest on the Series 1990 Bonds to become includible in the gross income of the Owners thereof for federal income tax purposes, retroactively to the date of issuance of the Series 1990 Bonds. In that event, the Indenture does not contain any provisions for acceleration of the Series 1990 Bonds nor provide that any additional interest or penalty be paid to the Owners of the Series 1990 Bonds. However, the Series 1990 Bonds will be subject to mandatory redemption, in whole or in part, upon a determination of taxability as described under the caption "The Series 1990 Bonds -- Redemption Prior to Maturity -- Mandatory Redemption Upon Determination of Taxability". Further, in the opinion of Co-Bond Counsel, under the laws of the State of Illinois as presently enacted and construed, interest on the Series 1990 Bonds and any gain from the sale thereof are not exempt from Illinois income tax. In rendering their opinions, Co-Bond Counsel will rely in part on the City's election to apply the provisions of Section 1317(5)(B) of the Tax Reform Act of 1986 to the Series 1990 Bonds. Section 1317(5)(B) permits up to $500,000,000 of bonds to be issued for improvements at the Airport without regard to certain restrictions otherwise applicable to bonds issued for airport purposes on or after August 15, 1986. Co-Bond Counsel express no opinion regarding other federal tax consequences arising with respect to the Series 1990 Bonds. Co-Bond Counsel are further of the opinion that interest on the Series 1990 Bonds is not exempt from Illinois income tax. See "Appendix B -- Form of Opinion of Co-Bond Counsel".

The City will agree in the Indenture (1) not to take any action, or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, would cause interest on the Series 1990 Bonds to become includible in the gross income of the Owners of the Series 1990 Bonds for federal income tax purposes, other than an Owner who is a "substantial user" or "related person" within the meaning of Section 147(a) of the Code, and (2) not to take any action, or omit to take any action, with respect to the investment of the proceeds of the Series 1990 Bonds that would result in causing the Series 1990 Bonds to constitute "arbitrage bonds" within the meaning of Sections 103(b)(2) or 148 of the Code.

Other Tax Matters.

Prospective purchasers of the Series 1990 Bonds should also be aware that (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or contained to purchase or carry the Series 1990 Bonds or, in the case of a financial institution, that portion of an Owner's interest expense allocated to interest on the Series 1990 Bonds, (ii) life insurance companies must include tax-exempt interest in computing the amount of income or deductible expense for federal income tax purposes with respect to certain insurance reserves and with respect to property and casualty insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Series 1990 Bonds, (iii) for taxable years ending after December 31, 1986, in the case of banks and certain other financial institutions, the determination of the amount of interest expense attributable (and therefore not deductible) to ownership of tax-exempt obligations such as the Series 1990 Bonds is generally based upon the ratio of the taxpayer's average adjusted basis in tax-exempt bonds to the average adjusted basis for all assets of the taxpayer, (iv) interest on the Series 1990 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (v) passive investment income, including interest on the Series 1990 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than 25 percent of the gross receipts of such Subchapter S corporation is passive investment income and (vi) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining taxability of such benefits, receipts or accruals of interest on the Series 1990 Bonds. Co-Bond Counsel expresses no opinion as to any collateral federal income tax consequences and prospective purchasers of the Series 1990 Bonds should consult their tax advisors as to the applicability of these or any other collateral consequences.

Certain Legal Matters.

Legal matters incident to the authorization, issuance and sale by the City of the Series 1990 Bonds are subject to the approving legal opinions of Burke, Wilson & McIlvaine, Chicago, Illinois, and John H. Stroger, Jr., Esq., Chicago, Illinois, Co-Bond Counsel. The proposed form of the opinions of Co-Bond Counsel is included as Appendix B, and the final opinions will be delivered with the Series 1990 Bonds.

Certain legal matters will be passed upon for the City by the Corporation Counsel of the City and by Hopkins & Sutter, Chicago, Illinois, Special Counsel to the City, for the Underwriters by their co-counsel, Gardner, Carton & Douglas, Chicago, Illinois, and Richard H. Newhouse, Jr., Chicago, Illinois, and for the Airline by Joan Gabel, Legal Affairs Manager/U.S.A. of the Airline, Haight, Gardner, Poor & Havens, special United States counsel to the Airline, and Monsieur Fernand Garnault, French counsel to the Airline.

Underwriting.

A group of underwriters (the "Underwriters"), on behalf of which Smith Barney, Harris Upham & Co., Incorporated and the other co-managers shown on the cover page have agreed, jointly and severally, to purchase the Series 1990 Bonds pursuant to a Contract of Purchase between the City and the Underwriters dated the date of this Official Statement, subject to certain conditions, at a price of __________ (representing an underwriting discount of $__________ and an original issue discount of $____________), plus accrued interest. The Underwriters will be obligated to purchase all the Series 1990 Bonds, if any Series 1990 Bonds are purchased.

The prices and other terms respecting the offering and sale of the Series 1990 Bonds may be changed from time to time by the Underwriters after such Series 1990 Bonds are released for sale, and the Series 1990 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Series 1990 Bonds into investment accounts. In connection with the offering of the Series 1990 Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 1990 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Airline has agreed to indemnify the Underwriters and the City against certain liabilities, including liabilities under the Securities Act of 1933, and to contribute in respect thereof.

[Ratings]

[To Come, If Any]

Requirements Of Florida's Department Of Banking And Finance.

Regulations of the Florida Department of Banking and Finance require that offering circulars for state and local government bonds sold in initial offerings to the general public in Florida set forth detailed information about any bonds of the issuer which are in default (whether or not the default relates to the bonds being sold). Information which is believed not to be material may, nevertheless, be deleted if the reason for the deletion is set forth in the offering circular. The City has outstanding $101 Million in aggregate principal amount of Calumet Skyway Toll Bridge Revenue Bonds (the "Skyway Bonds") which were issued in 1955 and 1957 to finance construction of an elevated tollway linking the City to the Indiana Toll Road. The documents pursuant to which the Skyway Bonds were issued provide that the Skyway Bonds are payable solely from the net revenues of the Skyway. Although Skyway net revenues have been insufficient in the past to enable interest on the Skyway Bonds to be paid on a current basis, all past due interest, including penalties, has been paid. The City has been paying interest on a current basis on the Skyway Bonds since July 1, 1989. No scheduled sinking fund redemptions of the Skyway Bonds have been made, and no deposits have been made for such purpose or for the payment of principal of the Skyway Bonds. The Skyway Bonds mature in 1995. Further details concerning the Skyway Bonds and litigation concerning them is available from the City. However, that detailed information, in the view of the City, is not material to the sale of the Series 1990 Bonds because the

Series 1990 Bonds are payable from an entirely separate source of revenue than the Skyway Bonds.

In addition, the City has issued non-Airport industrial development bonds and multi-family housing revenue bonds for the benefit of private users that are payable primarily or entirely from payments made by such users. The City makes no representation as to whether any such bonds are or are not in default. In the view of the City, disclosure of defaults of industrial development or multi-family housing revenue bonds, if any, would not be appropriate or material to the sale of the Series 1990 Bonds because the Series 1990 Bonds are payable entirely from a separate source of revenues.

Miscellaneous.

The summaries or descriptions in this Official Statement of provisions in the Indenture, the Agreement, the Site Lease [and the Guaranty] and all references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions and do not constitute complete statements of such documents or provisions. Reference is made to the complete documents relating to such matters for further information, copies of which will be furnished by the City upon written request delivered to the office of the City Comptroller, City Hall, Room 501, 121 North LaSalle Street, Chicago, Illinois 60602.

Any statements made in this Official Statement indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated.

Authorization.

The City has authorized the distribution of this Official Statement.

This Official Statement has been duly executed and delivered by the City Comptroller on behalf of the City of Chicago.

City of Chicago

By: ______________________________
City Comptroller

Appendices "A" and "B" attached to this Preliminary Official Statement read as follows:

Appendix "A".

Compagnie Nationale Air France.

Statement Of Available Information.

The Airline has made publicly available in France each of the following documents:

1. Audited Consolidated Financial Statements of the Airline and its Consolidated Subsidiaries for the Fiscal Years Ended December 31, 1987, 1988 and 1989, respectively (presented in English);
2. 1989 Annual Report of the Airline (presented in French);
3. Statement of Selected Financial Information of the Airline and its Consolidated Subsidiaries for the Fiscal Year Ended December 31, 1989 (presented in English);
4. Unaudited Consolidated Interim Financial Statements of the Airline and its Consolidated Subsidiaries for the Six-Month Period Ended June 30, 1990 (presented in English).

The Airline will provide without charge to each person to whom this Official Statement is delivered, upon the written request of such person, a copy of any or all of the foregoing documents related to it. During the offering period for the Series 1990 Bonds, requests for such documents should be directed to any of the Underwriters.

General.

The Airline is 99.377% owned by the Republic of France, and its principal subsidiaries include Union des Transports Aeriens ("U.T.A."), Air Inter, Meridien Hotels, Air Charter, Servair, Saresco and Sotair. The Airline and its subsidiaries are herein referred to as the "Air France Group". The international scheduled airline services of the Airline rank second in the world in terms of numbers of passengers carried and third in the world in terms of air cargo tons carried.

As of June 30, 1990, the Airline served 198 airports in 77 countries, including 10 airports in the United States, 23 in the rest of the Americas, 30 in Asia, 28 in Africa, and 108 in Europe. As of June 30, 1990, the Airline employed approximately 37,000 persons including more than 5,000 outside of France and about 7,500 in flight staff. In 1989, the Airline operated with a fleet of 113 aircraft: 7 Concorde, 27 Boeing 747, 22 Boeing 727, 16 Boeing 737, 15 Airbus A300, 9 Airbus A310, 9 Airbus A320 and 8 Boeing 747 Cargo.

The Airline accounted for over ____% of Air France Group's assets, operating revenues and expenses in 1989.

The address for the principal executive office of the Airline in the United States is 888 Seventh Avenue, New York, New York 10106 (telephone: (212) 830-4000).

Recent Developments.

Expansion of Fleet. In 1989, the following decisions were made concerning expansion and replacement of the Airline's fleet of airplanes:

-- the order of 28 new aircraft (4 Airbus A310-300, 1 Airbus A320, 7 Airbus A340-300, 12 Boeing 737-500, 4 Boeing 737-500 and 4 Boeing 747-400 Cargo); and

-- the taking of options on 14 aircraft (4 Airbus A340-300, 6 Boeing 737-500 and 4 Boeing 747-400).

In 1989, the Airline spent 11.8 Billion French Francs ($____________) to expand its fleet. At year end 1989, it had ordered for the next 10 years 112 aircraft: 60 under purchase commitment, and 52 under purchase options. To finance these acquisitions in part, the Airline issued subordinated notes in the principal amount of 1.8 Billion French Francs ($_________) during 1989 and debt instruments in the principal amount of 1 Billion French Francs, ($________) in June, 1990. The Airline expects that it will require approximately ____ French Francs ($______) in external financing during 1991.

During 1990, the Airline will take delivery of 8 of the new aircraft described above: 2 Boeing 747-200 Cargo planes, 1 Airbus A310-300, and 5 Airbus A320. During 1990, 6 Boeing 737s will be retired. At year end 1990, the consolidated fleet of the Airline will have 127 aircraft (including 14 Airbus A320 aircraft).

Expansion of Network: New Products. The Airline continues to expand its network by opening new routes and selecting new destinations. In 1989, the Airline opened 10 destinations, 7 new routes and 20 new services. The plans for 1990 include 5 new destinations, 12 new routes and an increase in flight frequency to some 40 destinations.

The Airline also launched a series of commercial innovations including, in 1989, the opening of new terminal facilities of Charles de Gaulle Airport in Paris, the first non-smoking French flights, new fares for senior citizens, and in 1990, a new line of "Le Club" products for business passengers and a new policy regarding relations with the Company's most loyal and high-yield customers, renovating its "Club 2000" and "Service Plus" programs.

Acquisition of U.T.A. and Air Inter. On January 12, 1990, the Airline acquired a 54.8% controlling interest in U.T.A., another international airline based in France. Subsequent purchases of U.T.A. stock by the Airline increased its ownership stake in U.T.A. to 71%, acquired for a total price of 4.9 Billion French Francs. At the time of the transaction, U.T.A. held a 35.4% interest in Air Inter, the French domestic airline, in addition to the 36.5% interest in Air Inter already held by the Airline. As a result of the acquisition of U.T.A., the Airline also owns, directly or indirectly, 61.6% of Air Inter.

The European Community Commission's (the "E.C.") competition office has announced that it is reviewing the Airline's acquisitions of U.T.A. and Air Inter. In addition, the E.C. currently is considering how its competition rules should be applied to the airline industry. It is not possible to predict the outcome of these actions by the E.C., or their impact on the Airline.

The Air France Group now operates, with a fleet of 196 aircraft, in a worldwide system covering 246 destinations, backed by a coordinated domestic network. The Airline believes that extensive economics of scale will thus be made possible, particularly in respect to maintenance, fuel purchasing, cockpit crews and computer applications.

New Reservations Systems. In 1990, the European computerized reservations system, "Amadeus", founded on May 27, 1988 by the Airline, Iberia, Lufthansa German Airlines and S.A.S., will reach the final stages before becoming fully operational in early 1991. The system will then link up a network of 15,000 travel agents, representing 90 million passengers flown and at least 60% of the European air travel market.

Concurrently, the Airline, Cathay Pacific, Japan Airlines and Lufthansa German Airlines have decided to pool their technical and financial resources to examine the feasibility of a common computer system to be used in the cargo sector, the "Global Logistic System" (G.L.S.).

Cost-Cutting Program. In September 1990 the Airline's board of directors announced a cost-cutting program that was adopted in response to the

Airline's loss for the first half of 1990 and oil-related difficulties expected in the second half of 1990. The Airline's board also delayed until 1991 any non-aircraft investments and imposed a hiring freeze. See "Recent Operating Results -- Six Months Ended June 30, 1990", below.

Recent Operating Results.

Year Ended December 31, 1989. The Airline and Air France Group achieved a net income of French Francs ___________ Million ($___________ Million), and French Francs ___________Million ($_______Million), respectively, in 1989 compared with net income of French Francs _______Billion ($_______Million), and French Francs ___________ Billion ($_______Million), respectively, in 1988. The Airline attributed the decline in its 1989 net income to a ground personnel strike in late 1988/early 1989 and increased fuel and labor costs. Fiscal 1989 was a year of growth in terms of international air traffic, but disappointing in terms of economic results. The disparity between traffic development and operating profits is largely explained by higher costs, which the increase in revenue was unable to compensate in the same proportions. Increased competition, fuel price increases and the rise of the dollar exchange rate all contributed to the Airline's decline in profits.

Turnover (revenues) for the Airline and Air France Group during 1989 increased 11.2% and 11.8%, respectively, amounting to French Francs 34.8 Billion ($5.4 Billion) and French Francs 39.6 Billion ($6.2 Billion), respectively. More than 50% of this turnover is generated from France. In 1989, the Airline accounted for over 85% of the turnover and 99% of the investments of Air France Group, amounting to French Francs 6.8 Billion ($1.1 Billion), 45% more than 1988.

Six Months Ended June 30, 1990. In the first half of 1990, the Airline and Air France Group incurred a loss of French Francs _________ Million ($_________ Million), and French Francs _________ Million ($_________ Million), respectively, compared with net income of French Francs _________ Million ($_________ Million) and French Francs _________ Million ($_________ Million), respectively, for the same period in 1989. First half turnover (revenues) increased _________% for the Airline and _________% for Air France Group to French Francs _________ ($_________) and French Francs _________ ($_________), respectively, compared with French Francs_________ ($_________) and French Francs ________ ($ _________), respectively, for the same period in 1989. The 1990 first half results for Air France Group reflect the acquisition of U.T.A. and Air Inter in January 1990 [Quantify].

Additional Information. See the [Presentation of the Financial Results of the Year 1989] included as part of the Airline's 1989 Annual Report, and the unaudited Consolidated Interim Financial Statements of the Airline and its

Consolidated Subsidiaries for the Six-Month Period Ended June 30, 1990, for additional information concerning the business and financial condition of the Airline and Air France Group. Information concerning exchange rate conversion and differences between French and United States generally accepted accounting principles is contained in Notes 3-5 of the audited financial statements for the Airline and Air France Group.

Operating Information.

Passenger Operating Information (in millions except percentages):

Year	1989	1988	1987
Passengers carried	16.1	14.8	13.4
Available seat miles	32.5	30.5	28.3
Revenue passenger -- miles	22.8	21.4	19.7
Passenger load factor	70.5%	70.1%	69.5%

Cargo Operating Information (in millions except percentages):

Year	1989	1988	1987
Revenue metric ton -- miles	4.1	3.9	3.7
including air mail	0.074	0.064	0.064
on composite flights	**41.4%**	**43.7%**	**45.7%**
on cargo flights	58.6%	56.3%	54.5%

Capital And Revenue ($ Millions).

Air France Group.

Year		1989	1988	1987
Capital		$ 545.2	$ 520.9	$ 520.9
Total operating revenue		6,399.6	6,139.4	5,609.1
including:	airline	4,803.5	4,651.2	4,189.3
	other revenues	1,596.1	1,488.2	1,419.8
net profit		131.5	193.7	202.5
cash flow		308.9	607.2	443.3

Appendix "B".

Form Of Opinions Of Co-Bond Counsel.

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City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Compagnie Nationale Air France Project)

Series 1990.

Contract Of Purchase.

City of Chicago
City Hall
121 North LaSalle Street
Chicago, Illinois 60602

December ____, 1990.

Ladies and Gentlemen:

The undersigned underwriters, for whom Smith Barney, Harris Upham & Co., Incorporated (the "Senior Manager") and George K. Baum & Company, Goldman, Sachs & Co., Pryor, McClendon, Counts & Co., Inc. and Smith, Mitchell & Associates, Inc. are acting as the representatives (collectively with the Senior Manager the "Representatives"), acting on behalf of themselves and on behalf of the other underwriters, if any, named in the list attached hereto as Schedule I (the Representatives and any such other underwriters as finally determined being hereinafter called the "Underwriters"), offer to enter into the following agreement with the City of Chicago, a municipal corporation and a home rule unit of local government duly organized and existing under the laws of the State of Illinois (the "City"), which upon the City's acceptance of this offer, will be binding upon the City and upon the Underwriters. This offer is made subject to your acceptance of this Contract of Purchase on or before 5:00 P.M., Chicago time, on December ____, 1990. If no other Underwriters are listed in Schedule I, then the terms "Underwriters" and "Representatives" shall be deemed to have the same meaning herein.

1. Purchase Price. Upon the terms and conditions and in reliance upon the representations, warranties and covenants set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the City, and the City hereby agrees to sell to the Underwriters, all (but not less than all) of the $__________ in aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project), Series 1990 (the "Bonds"), dated, maturing,

bearing interest and having the further terms set forth in the Official Statement of the City, substantially in the form attached hereto as Exhibit A and made a part hereof (such Official Statement, including the cover page, the Summary Statement and all appendices attached thereto, is hereinafter called the "Official Statement", except that if the Official Statement shall have been amended with the Senior Manager's and the City's approval between the date hereof and the Closing (as defined in Section 6), the term "Official Statement" shall refer to the Official Statement as so amended), at the purchase price of $___________, plus any interest accrued on the Bonds from their date to the date of the Closing. The Underwriters agree to make a bona fide public offering of all of the Bonds at the initial offering price (or yield) set forth on the cover page of the Official Statement, it being understood and agreed that after the initial offering the Senior Manager reserves the right to establish such public offering price (or yield) as it deems necessary in connection with the marketing of the Bonds. Except as otherwise defined herein, terms used herein which are defined in the Official Statement shall have the same meanings herein as therein. Attached hereto as Exhibit B is a copy of the Preliminary Official Statement of the City dated December ____, 1990, relating to the Bonds (the "Preliminary Official Statement").

2. Official Statement. At the time of the City's acceptance of this Contract of Purchase, or at such later time as shall be agreeable to the Senior Manager, the City shall deliver to the Representatives five executed copies of the Official Statement. The City authorizes the Underwriters to use the Official Statement and the documents referred to therein in connection with the public offering and the sale of the Bonds. The City ratifies and consents to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement. The City shall deliver, or cause to be delivered, at its expense, to the Underwriters within seven business days from the date of this Contract of Purchase sufficient quantities of the Official Statement which in the reasonable judgment of the Senior Manager are sufficient to comply with their obligations under paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "1934 Act") and the rules of the Municipal Securities Rulemaking Board.

3. Authorization. The Bonds are authorized to be issued pursuant to an ordinance adopted by the City Council of the City on October ____, 1990 (the "Ordinance"), and will be described in, and issued and secured under and pursuant to, an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project), dated as of December 1, 1990 (the "Indenture"), from the City to Independence Bank of Chicago and The First National Bank of Chicago, Chicago, Illinois, as trustees (collectively, the "Trustee"). The Bonds are being issued for the purpose of financing (i) the Project, as defined in the Special Facility Use Agreement (Cargo Facility) dated as of December 1, 1990 (the "Agreement"), by and between the City and Compagnie Nationale Air France (the "Airline"); (ii) the interest on the Bonds during the construction of the Project; (iii) a debt service reserve fund established under

the Indenture; and (iv) the costs of issuance related to the Bonds. The Project will be located at Chicago-O'Hare International Airport (the "Airport") and will occupy a site leased to the Airline pursuant to a Cargo Facility Site Lease dated as of December ___, 1990 (the "Site Lease") between the City and the Airline. [Payment of principal of and interest and redemption premium, if any, on the Bonds will be guaranteed by the Airline, pursuant to a Guaranty from the Airline to the Trustee dated as of December 1, 1990 (the "Guaranty").] The Airline, the City and the Trustee will enter into an Arbitrage Compliance Agreement dated as of December 1, 1990 (the "Tax Agreement") and the City will deliver its General Tax Certificate and its Non-Arbitrage Certification, each dated as of the Closing (collectively with the Tax Agreement, the "City Tax Agreements"). The Airline will deliver its Project Cost and Tax Certificate dated as of the Closing (collectively with the Tax Agreement, the "Airline Tax Agreements"). Concurrently with the execution and delivery of this Contract of Purchase, the Airline shall execute and deliver to the City and the Underwriters its Letter of Representation, dated the date hereof (the "Letter of Representation"), substantially in the form included as Exhibit C hereto. [The Bonds will be remarketed by Smith Barney, Harris Upham & Co. Incorporated, as Remarketing Agent (the "Remarketing Agent"), pursuant to a Remarketing Agreement to be dated the date of issuance of the Bonds (the "Remarketing Agreement") between the Company and the Remarketing Agent. The Airline, the City, the Remarketing Agent, the Trustee and __________ (the "Tender Agent") will enter into a Tender Agent Agreement dated as of December 1, 1990 (the "Tender Agent Agreement") pursuant to which the Tender Agent will act as tender agent, co-paying agent and co-bond registrar for the Bonds.] The Agreement, the Bonds, the City Tax Agreements, the Indenture, the Site Lease and [the Tender Agent Agreement] are referred to herein as the "City Documents".

4. Representations and Warranties of the City. The City represents and warrants to the Underwriters as of the date hereof (and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Bonds at the Closing that the City shall so represent and warrant as of the date of the Closing) that:

(a) The City is a municipal corporation and home rule unit of local government duly organized and existing under the Constitution and laws of the State of Illinois.

(b) In connection with the issuance of the Bonds, the City has complied in all respects with the Constitution and laws of the State of Illinois.

(c) The City Council has (i) duly adopted the Ordinance and authorized, ratified and approved the execution and delivery of the City Documents, (ii) duly authorized and approved the Official Statement and authorized the use of the Preliminary Official Statement prior to the date hereof in connection with the offering and sale of the Bonds, (iii) duly authorized and approved the execution and delivery of this Contract of Purchase and the acceptance of the Letter of Representation, and (iv) duly authorized and approved the performance by the City of its obligations contained in the Ordinance, the City Documents and this Contract of Purchase.

(d) The City has full legal right, power and authority (i) to enter into this Contract of Purchase, (ii) to issue, sell and deliver the Bonds to the Underwriters pursuant to the Ordinance as provided herein, and (iii) to carry out and consummate the transactions contemplated by this Contract of Purchase, the Ordinance, the City Documents and the Official Statement. The City is not in breach of or default under the Ordinance, the City Documents, any applicable law or administrative regulation of the State of Illinois or the United States of America, or any applicable judgment or decree, or any loan agreement, note, resolution, ordinance, or other agreement or instrument to which the City is a party or is otherwise subject, including, without limitation, the 1983 Chicago-O'Hare International Airport General Airport Revenue Bond Ordinance ("G.A.R.B.O."), which breach or default is reasonably likely to materially adversely affect the operation of the Airport or the authorization or issuance of the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default. Neither the adoption of the Ordinance and compliance with the provisions thereof nor the execution and delivery of and performance by the City of its obligations under the Agreement, the City Documents or this Contract of Purchase violates any applicable law or administrative regulation of the State of Illinois or of any department, division, agency or instrumentality thereof or of the United States, or any applicable judgment or decree to which the City is subject, or conflicts with or constitutes a breach of or default under any loan agreement, note, resolution, ordinance, indenture, agreement or other instrument to which the City is a party or is otherwise subject, including, without limitation, G.A.R.B.O. The City has not received any judicial or administrative notice which in any way questions the federal tax-exempt status of interest on the Bonds and has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

(e) Except as stated in the Official Statement, or as otherwise disclosed in writing to the Underwriters, the City is not, to the best of its knowledge, in default with respect to any bond, note or other evidence of indebtedness, whether of a general obligation, revenue or other nature which default is reasonably likely to materially and adversely affect the Bonds, the ability of the City to issue the Bonds or the City's ability to operate the Airport.

(f) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the City of its obligations hereunder and under the Ordinance and the City Documents and which can reasonably be obtained at this time have been obtained. To the best knowledge of the City, there is no public vote or referendum pending or proposed, the results of which could in any way adversely affect the transactions contemplated by this Contract of Purchase, the Ordinance or the City Documents or the validity or enforceability of the Bonds.

(g) The Site Lease conforms to the description thereof contained in the Official Statement; and the Bonds, when issued and delivered in accordance with the Indenture, will be validly issued and outstanding limited obligations of the City payable from the Special Facility Revenues described in, and entitled to the benefit of, the Indenture. The Indenture creates a valid pledge of the grant of security interest in the Special Facility Revenues purported to be pledged thereby, subject to no prior pledges or security interests other than those granted to the Bonds, but subject to application as provided in the Indenture.

(h) The information contained in the Official Statement under the captions "Summary Statement -- The City" and "--The Airport", "The City", "The Airport", "The Site Lease", "Litigation", "Regulatory Proceedings and Proposed State Actions", "Requirements of Florida's Department of Banking and Finance" and "Authorization", as the Official Statement may be amended or supplemented with the approval of the Senior Manager, is true and correct in all material respects and such information does not and as of the date of Closing will not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements made under such captions, in the light of the circumstances under which they are or were made, not misleading. The Preliminary Official Statement is an official statement deemed final as of its date within the meaning of Rule 15c2-12 under the 1934 Act, except that no representation or warranty is made with respect to the information contained in the Preliminary Official Statement concerning the Airline or the Project.

(i) Except as specifically set forth in the Official Statement, no litigation is pending or, to the knowledge of the City, threatened in any court which in any way affects the existence of the City, the City's operation of the Airport, or seeks to restrain or enjoin the issuance, sale and delivery of the Bonds, or the right, power and authority of the City to collect Special Facility Revenues generally or other moneys pledged or to be pledged to pay the principal of and interest on the Bonds, or the validity and binding effect of the Ordinance, this Contract of Purchase or the City Documents or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the City or its authority with respect to the Ordinance, this Contract of Purchase or the City Documents or contesting in any way the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

(j) The signatures of the officials executing this Contract of Purchase, the Letter of Representation, the Official Statement and the documents delivered pursuant to the foregoing on behalf of the City are true and genuine and such officials have been duly authorized to execute the same.

5. Covenants of the City. In connection with the purchase and sale of the Bonds pursuant to this Contract of Purchase, the City hereby covenants that:

(a) The City will make available such information, execute such instruments and take such other action in cooperation with the Representatives as the Senior Manager may reasonably request to qualify the Bonds for offer and sale under the securities laws and regulations of such states and other jurisdictions of the United States as the Senior Manager may designate; provided that nothing in this clause (a) shall require the City to consent to service of process in any state or jurisdiction other than the State of Illinois.

(b) The City will use its best efforts to make available such information, execute such instruments and take such other reasonable action in cooperation with the Underwriters as the Senior Manager may reasonably request to assist the Underwriters in attempting to qualify the Bonds with [Midwest Securities Trust Company ("M.S.T.C.")].

(c) If between the date of this Contract of Purchase and the date of the Closing any event shall occur related to the City and known to the City which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall notify the Senior Manager in writing thereof and if, in the opinion of the City and the Senior Manager such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at the Airline's expense supplement or amend the Official Statement in a form and in a manner approved by the Senior Manager. After the Closing, and so long as any Underwriter or any participating dealer shall be offering the Bonds which constitute the whole or a part of their unsold participations until the earlier of (i) 90 days from the date of Closing or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository (but in no event later than 25 days from the date of the Closing), the City agrees to advise the Senior Manager in writing of any development related to the City and known to the City that impacts the accuracy and completeness of the key representations contained in the Official Statement, within the meaning of Rule 15c2-12 under the 1934 Act. During that period the City will not adopt any amendment of, or supplement to, the Official Statement except with the written consent of the Senior Manager; and if any event relating to or affecting the City shall occur as the result of which shall make it necessary, in the opinion of the Senior Manager and the City, to amend or supplement the Official Statement in order to make it not misleading in the light of the circumstances existing at that time, the City shall forthwith prepare and furnish to the Underwriters, at the expense of the Airline, a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Senior Manager, so that the Official Statement then will not contain an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading.

(d) Between the date of this Contract of Purchase and the Closing, the City will not, without the prior written consent of the Underwriters, issue any bonds, notes or other obligations for borrowed money payable from the Special Facility Revenues.

6. The Closing. The payment for the Bonds (the "Closing") shall take place on December ____, 1990 at the offices of Burke, Wilson & McIlvaine, 500 West Madison Street, Chicago, Illinois 60606 or on such other date or at such other place as shall have been mutually agreed upon as the date on or place at which the Closing shall occur. At [10:00 A.M.], Chicago time on the date of the Closing, the City will cause the Bonds in definitive form, duly executed and authenticated, to be delivered to the principal office of [M.S.T.C.], [Chicago, Illinois]. Simultaneously with such delivery and provided that all conditions to the obligations of the Underwriters set forth in paragraph 7 hereof have been satisfied and are in form and substance satisfactory to the Senior Manager, the Underwriters shall cause the purchase price of the Bonds plus accrued interest to be paid in [clearing house] funds to the order of the Trustee for the account of the City in accordance with the Indenture. The Bonds, bearing proper CUSIP numbers, shall be in the definitive form of one fully registered Bond and in the name in which [M.S.T.C.] requests that the Bonds be registered, and shall be made available for inspection and checking by the Underwriters at the offices of [M.S.T.C.], not later than [10:00 A.M.] on the business day prior to the date of the Closing.

7. Conditions to the Obligations of the Underwriters. The Representatives have entered into this Contract of Purchase on behalf of themselves and the other Underwriters in reliance upon the representations and warranties of the City contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder and under the aforesaid documents and instruments at or prior to the date of the Closing. Accordingly, the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Bonds are subject to the

performance by the City of its obligations to be performed hereunder and under such aforesaid documents and instruments at or prior to the date of the Closing, and are also subject to the following conditions:

(a) The representations and warranties of the City contained herein and in the Ordinance will be true, complete and correct on the date hereof and on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(b) At the time of the Closing, (i) the Ordinance, the City Documents and the Airline Documents will be in full force and effect, and will not have been amended, modified or supplemented since the date hereof, unless agreed to in writing by the Senior Manager, and the Official Statement will not have been amended, modified or supplemented, except as may have been agreed to by the Senior Manager; (ii) the representations and warranties of the City contained in the City Documents will be true, complete and correct; and (iii) all necessary action on the part of the City relating to issuance of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented, except with the consent of the Senior Manager.

(c) The Senior Manager has the right to terminate the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Bonds by notifying the City of its election to do so if, after the execution hereof and prior to the Closing: (i) a committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the City or by any similar body or including in gross income for federal tax purposes interest received by the owners thereof on obligations of the general character of the Bonds or the Bonds (except to the extent that Bonds are held by a "substantial user" of the facilities financed by the Bonds or any "related persons" within the meaning of §147(a) of the Code), which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; (ii) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in, or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which would result in the imposition of federal income taxation, upon the Special Facility Revenues pledge to the payment of the Bonds or other income of the general character of the Special Facility Revenues to be derived by the City or by any similar body or including in gross income for federal tax purposes interests received by the owners thereof on obligations of the general character of the Bonds or the Bonds (except to the extent that Bonds are held by a "substantial user" of the facilities financed by the Bonds or any "related persons" within the meaning of §147(a) of the Code), which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; (iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of Illinois, or a decision by any court of competent jurisdiction within the State of Illinois shall be rendered which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; (iv) a stop order, ruling, regulation or official statement by, or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction over the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws , the Securities Act of 1933, as amended (the "Securities Act"), or the 1934 Act, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); (v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under the Securities Act or the 1934 Act or that the Indenture is not exempt from qualification under the Trust Indenture Act; (vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (vii) a general banking moratorium shall have been established by United States, French, Illinois or New York authorities; (viii) a war involving the United States or France shall have been declared, or any conflict involving the armed forces of the United States or France shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; (ix) an event occurs which requires an amendment or supplement to the Official Statement as contemplated in Section 5(c) hereof or Section 2(j) of the Letter of Representation, which event, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds; [or (x) the ratings of the Bonds shall have been downgraded or withdrawn by a national rating service, which, in the Senior Manager's opinion, would materially adversely affect the market price of the Bonds].

(d) At or prior to the Closing, the Representatives have received each of the following documents:

(i) Five copies of the Official Statement of the City, manually executed by the Comptroller of the City.

(ii) Five copies, duly certified by the City Clerk of the City, of the Ordinance as adopted by the City Council of the City.

(iii) The approving opinions dated the date of the Closing and addressed to the City, of Co-Bond Counsel to the City, in substantially the form attached to the Official Statement, and letters from such counsel dated the date of the Closing and addressed to the Senior Manager on behalf of the Underwriters, to the effect that such opinions addressed to the City may be relied upon by the Underwriters to the same extent as if such opinions were addressed to them.

(iv) An opinion or opinions, dated the date of the Closing and addressed to the Senior Manager, of Co-Bond Counsel to the City, to the effect that (A) this Contract of Purchase has been duly authorized, executed and delivered by, and constitutes a valid and binding agreement of the City enforceable in accordance with its terms, assuming it is in like fashion binding upon the Underwriters, as to which no view need be expressed (but such opinion as to enforceability may be qualified with respect to bankruptcy, insolvency and other laws affecting creditors' rights or remedies and by general principles of equity); (B) the Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualifications pursuant to the Trust Indenture Act; (C) Special Facility Revenues, as defined in the Indenture, will not constitute Revenues, as defined under the G.A.R.B.O. as in effect on the date of such opinions; (D) delivery of the Preliminary Official Statement and the Official Statement by the City and use of the same by the Underwriters in connection with the sale of the Bonds have been duly authorized by the City; (E) the information contained in the Official Statement on the Cover Page relating to the opinions of Co-Bond Counsel, under the captions "Summary Statement -- The Series 1990 Bonds", "-- The Project", "-- Security", "-- Debt Service Reserve Requirement", and "-- Additional Bonds", "The Series 1990 Bonds -- Redemption Prior to Maturity", "Security for The Series 1990 Bonds -- Payments by the Airline under the Agreement", "-- Limited Obligation", "-- Debt Service Reserve Fund" and "-- Additional Bonds" and "Tax Matters" and Proposed Form of Opinions of Co-Bond Counsel, included as Appendix B, insofar as such statements constitute a summary of the matters therein set forth, are correct in all material respects and do not omit any statement which should be included or referred to therein in order to summarize fairly and accurately the matters therein set forth; (F) Special Facility Revenues and investment proceeds of the Bonds may be used to make payments of arbitrage rebate to the United States as required by the Code, and regulations promulgated thereunder; and (G) based on the examinations which they have made as Co-Bond Counsel and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement other than those described in Section (iv)(E) above, such counsel have no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for Appendix A and except for any financial, technical and statistical data included in the Official Statement and except for information regarding [M.S.T.C.] and [M.S.T.C.'s] book-entry system, in each case as to which no view need be expressed). Such opinion also shall state that the City has requested that such opinion be furnished to the Underwriters.

(v) An opinion, dated the date of the Closing and addressed to the Senior Manager, of the Corporation Counsel of the City given in an official capacity and not personally and to which no personal liability will derive from its delivery, to the effect that (A) the City is a home rule unit of local government duly organized and existing under the Constitution and laws of the State of Illinois with full power and authority, among other things, to adopt and perform its duties and obligations under the Ordinance, to approve the Preliminary Official Statement, to execute and deliver this Contract of Purchase, the Official Statement and the City Documents, to authorize, issue and sell the Bonds and to operate the Airport and to maintain and collect and enforce the collection of the Special Facility Revenues as covenanted in the Indenture and the Agreement; (B) this Contract of Purchase, the City Documents and the Site Lease have been duly authorized, executed and delivered by, and the Ordinance has been duly adopted by, the City, and, assuming due authorization, execution and delivery by the other parties thereto, all such instruments constitute valid and legally binding obligations of the City enforceable in accordance with their respective terms (but such opinion as to enforceability may be qualified with respect to bankruptcy, insolvency and other laws affecting creditors' rights or remedies); (C) the Preliminary Official Statement has been duly authorized and delivered and the Official Statement has been duly authorized, executed and delivered by the City; (D) to the knowledge of such counsel, compliance with the provisions of the Ordinance, and the execution, delivery and performance of the City Documents or this Contract of Purchase does not conflict with, or constitute a breach of or default under, any applicable law, administrative regulation, court order or consent decree of the State of Illinois or any department, division, agency, or instrumentality thereof or of the United States or any loan agreement, note, resolution, ordinance, indenture, mortgage, deed of trust, agreement or other instrument to which the City is a party or may otherwise be subject; (E) all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute conditions precedent to the performance by the City of its obligations under this Contract of Purchase, the Ordinance and the City Documents and which can reasonably be obtained by the time of the Closing have been obtained; (F) except as set forth in the Official Statement, there is no litigation or proceeding pending or, to the knowledge of the Corporation Counsel after due inquiry, threatened in any way affecting the existence of the City, or the titles of its officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or the right, power and authority of the City to collect Special Facility Revenues generally or other moneys pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the Special Facility Revenues or the other moneys, or in any way consenting or affecting the validity or enforceability of the Bonds, the Ordinance, the City Documents or this Contract of Purchase, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City or its authority with respect to the Ordinance, the City Documents or this Contract of Purchase; and (G) based on the examination which the Corporation Counsel has caused to be made and the participation of his representatives at conferences at which the Official Statement was discussed, the Corporation Counsel has no reason to believe that the information contained in the Official Statement under the captions "Summary Statement -- The City" and "--The Airport", "The City", "The Airport", "The Site Lease", "Litigation", "Regulatory Proceedings and Proposed State Actions" (except for information appearing under the subcaption "--Federal Aviation Administration" and in the first paragraph under the subcaption "--Proposed State Action"), "Requirements of Florida's Department of Banking and Finance (except insofar as such summary relates to matters of Florida law)" and "Authorization" includes any untrue statement of a material fact or omits to state a material fact necessary to make the statements made under such captions, in light of the circumstances under which they were made, not misleading in any material respect. Such opinion also shall state that the City has requested that such opinion be furnished to the Underwriters.

(vi) An opinion of Hopkins & Sutter, special counsel to the City, dated the date of the Closing and addressed to the Senior Manager, to the effect that (A) the Bonds are "Special Facility Revenue Bonds" within the meaning ascribed to such terms in G.A.R.B.O.; (B) the Special Facility Revenues do not constitute "Revenues" within the meaning of the G.A.R.B.O.; and (C) based on the examination which they have made and their participation at conferences at which the Official Statement was discussed, such counsel has no reason to believe that (1) the information contained in the Official Statement under the caption "Regulatory Proceedings and Proposed State Actions -- Federal Aviation Administration", (2) the information contained in the Official

Statement in the first paragraph under the caption "Regulatory Proceedings and Proposed State Actions -- Proposed State Actions", and (3) the information contained in the Official Statement under the caption "Litigation" relating to lawsuits containing claims based on noise and other effects of aircraft operations against the City, include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. Such opinion also shall state that the City has requested that such opinion be furnished to the Underwriters.

(vii) An opinion, dated the date of the Closing and addressed to the Senior Manager, of co-counsel for the Underwriters (which the Senior Manager agrees to request), to the effect that (A) the Bonds are exempt securities which do not require registration under the Securities Act, and the Indenture need not be qualified under the Trust Indenture Act; and (B) based upon their participation in the preparation of the Official Statement as co-counsel for the Underwriters and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel have no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial forecast, technical and statistical statements and data included in the Official Statement, and the statements and information set forth in [Appendix A and in] Appendix B to the Official Statement and except for information regarding M.S.T.C. and M.S.T.C.'s book-entry system, in each case as to which no view need be expressed).

(viii) A certificate, dated the date of the Closing, of the City Comptroller to the effect that to the best of his knowledge (A) 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 with the same effect as if made on the date of the Closing; (B) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes 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; (C) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public body or board pending or threatened to restrain or enjoin the issuance or sale of the Bonds, or in any way contest the validity of or affect the power of the City to issue the Bonds, or restrain or enjoin the execution and delivery of documents in connection therewith, or contest the existence or powers of the City or contest, restrain or enjoin the right of the City and the Airline to finance the Project at the Airport as described in the Official Statement; and (D) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing.

(ix) A certificate, dated the date of the Closing, of the Commissioner of the Department of Aviation of the City to the effect that to his knowledge the information contained in the Official Statement under the captions "Summary Statement -- The Airport", "The Airport" and "Regulatory Proceedings and Proposed State Actions" does not contain any untrue statement of a material fact or omit any statement of a material fact that should be stated therein for the purpose for which it is to be used or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

[(x) Evidence satisfactory to the Senior Manager that the Bonds have received a rating of "__" or better from Moody's Investors Service, Inc. and a rating of "__" or better from Standard and Poor's Corporation.]

(xi) Executed copies of the Certificates of Accuracy, dated as of the date of Closing given by M.S.T.C. to the effect that the information set forth on the cover page of the Official Statement and in the Official Statement under the captions "Summary Statement -- Book-Entry Only System" and "the Series 1990 Bonds -- Book-Entry Only System" is, as of the date of the Closing, accurate and does not contain any untrue statement of a material fact or omit to state a material fact that should be stated therein for the purpose for which it is to be used or that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(xii) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Bonds including in particular, all certificates, order and opinions constituting conditions precedent to the issuance of the Bonds in accordance with Section 211 of the Indenture and two manually signed copies of the Indenture and the City Tax Agreements.

(xiii) Delivery to the Senior Manager of two manually signed copies of the Airline Documents (as defined in the Letter of Representation).

(xiv) An opinion of Joan Gabel, Legal Services Manager/U.S.A. of the Airline, dated the date of the Closing and addressed to the Senior Manager to the effect that:

(A) The Airline is a duly organized and validly existing corporation and is in good standing under the laws of the Republic of France with corporate power and authority to own or lease and operate the properties now owned or leased, as the case may be, by it and to conduct the business now being conducted by it and to execute, deliver and perform its obligations under the Airline Documents and the Letter of Representation. The Airline is duly licensed and qualified to do business and is in good standing in the United States and all states and jurisdictions within the United States wherein the failure to so qualify would have a material adverse affect on the operations or business of the Airline.

(B) The execution and delivery by the Airline of the Airline Documents and the Letter of Representation have been duly and validly authorized by the necessary corporate and governmental action, and no further authorization, approval, consent, certificate or order of any local, state or federal commission or regulatory authority is required in respect of the execution and delivery by the Airline of the Airline Documents and the Letter of Representation.

(C) Neither the execution and delivery by the Airline of the Airline Documents or the Letter of Representation nor the Airline's performance of its obligations thereunder will result in the violation of a statute or regulation, or any order or decree known to said counsel of any court or governmental authority binding on the Airline or its property or result in a default or in the creation of a lien under any of the provisions of the Airline's statutes or, to the best of such counsel's knowledge, a material breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other instrument pursuant to which the Airline is a party.

(D) The Airline has not engaged such counsel to give substantive attention to any material pending legal or governmental proceedings which is not set forth or referred to in the Official Statement, and such counsel does not know of any contracts or documents of a character required to be described in the Official Statement which are not described or referred to as required.

(E) The statements made in the Official Statement under the captions "The Agreement", ["The Guaranty"] and "The Site Lease" insofar as they pertain to obligations of the Airline and insofar as they purport to summarize provisions of the documents specifically referred to under said captions are fair summaries.

(F) The Letter of Representation has been authorized, executed and delivered by the Airline and, assuming that it has been duly and validly authorized, executed and delivered by the other parties thereto, constitutes a valid and authorized binding obligation of the Airline enforceable in accordance with its terms except that no opinion need be expressed as to the availability of equitable remedies and except as enforceability of the indemnification provisions thereof may be limited by applicable securities laws. The enforceability of the Airline's obligations under the Letter of Representation is not subject to sovereign immunity or similar principles.

(G) The Airline Documents have been duly authorized, executed and delivered by the Airline and, assuming that the Airline Documents have been duly and validly authorized, executed and delivered by the other parties thereto, constitute valid and binding obligations of the Airline enforceable in accordance with their terms except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, except that no opinion need be expressed as to the availability of equitable remedies and except as enforceability of the indemnification provisions thereof may be limited by public policy considerations. The enforceability of the Airline's obligations under the Airline Documents is not subject to sovereign immunity or similar principles.

(H) The Airline has duly approved the Official Statement.

(I) The officers and employees who have executed the Airline Documents and the Letter of Representation have been duly and properly authorized to do so.

(J) There is no material litigation pending or threatened against the Airline which would prohibit it from entering into the transactions contemplated by the Airline Documents or the Letter of Representation or performing the obligations undertaken by it pursuant to the Airline Documents or the Letter of Representation.

(K) The provisions of the Airline Documents and the Letter of Representation respecting governance, construction and submission to the jurisdiction of any federal court within the federal court district of the Northern District of Illinois as specified in the Agreement and the Letter of Representation are valid under the laws of the Republic of France.

(L) A judgment obtained in any such court against the Airline would be enforceable in the courts of the Republic of France.

Such opinion shall also state that, based upon such counsel's participation in conferences with representatives of the Airline, its accountants and its other counsel, but without having made any independent verification of factual matters, such counsel have no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that such counsel need express no opinion as to financial statements and other financial data included therein or as to the information appearing under the captions "Summary Statement -- The City", "-- Book-Entry Only System", "-- The Airport" and "-- Plan of Finance", "The City", "The Airport", "Underwriting", "Tax Matters", "Litigation", "Regulatory Proceedings and Proposed State Actions" and "Requirements of Florida's Department of Banking and Finance" and in Appendix B). Such opinion also shall state that the Airline has requested that such opinion be furnished to the Underwriters.

(xv) Opinions of Haight, Gardner, Poor & Havens, United States counsel to the Airline, and Me. Fernand Garnault, French counsel to the Airline, addressed to the Senior Manager, covering the matters described in subparagraphs (xiv) (F), (G), (K) and (L), above. Each such opinion shall state the Airline has requested that such opinion be furnished to the Underwriters.

(xvi) Letters of _________, the Airline's independent accountants, dated respectively at the time of execution of this Contract of Purchase and on the date of the Closing, in form and scope satisfactory to the Senior Manager.

(xvii) A certificate, dated the date of the Closing, signed by the _______ or any _______ and a principal financial or accounting officer of the Airline, in which such officers, to the best of their knowledge after reasonable investigation, state that:

(A) the representations and warranties of the Airline in the Letter of Representation, the Airline Documents are true and correct, the Airline has complied with all agreements and satisfied all conditions on its part to be performed or satisfied under this Contract of Purchase and the Letter of Representation at or prior to the date of the Closing and there has been no breach by the Airline of the covenants in the Agreement;

(B) the Airline has duly performed all of its obligations under the Agreement to be performed at or prior to the Closing;

(C) there has been no material adverse change in the condition of the Airline, financial or otherwise, or in the earnings, affairs or business prospects of the Airline, whether or not arising in the ordinary course of business, from that set forth in or contemplated by the Official Statement;

(D) (1) the Airline has not sustained since the date of the latest audited financial statements included or referred to in the Official Statement any loss or interference material to the Airline and its subsidiaries, taken as a whole, with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Official Statement.

and (2) since the respective dates as of which information is given in the Official Statement, neither the Airline nor any of its subsidiaries has incurred any liabilities or obligations, direct or contingent, or entered into any transactions, not in the ordinary course of business, which are material to the Airline and its subsidiaries, taken as a whole, and there has not been any material change in the consolidated equity capitalization or long-term debt of the Airline or any of its subsidiaries or any material change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Airline and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Official Statement.

(xviii) Evidence, satisfactory to the Senior Manager, that the Letter of Representation, in the form attached hereto as Exhibit C and approved by the Senior Manager, has been duly authorized, executed and delivered, has not been amended, modified or rescinded and is in full force and effect as of the Closing.

(xix) A certificate, dated the date of Closing, signed by an Independent Airport Consultant (as defined in G.A.R.B.O.), satisfying the requirements of Section 903 of G.A.R.B.O.

(xx) Such additional legal opinions, certificates, instruments and other documents as Co-Bond Counsel may reasonably deem necessary or desirable, or as the Senior Manager may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations, warranties and covenants of the City contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract of Purchase will be deemed to be in compliance with the provisions hereof if, but only if, they are in substance reasonably satisfactory to the Senior Manager.

8. Termination. If the City or the Airline is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Contract of Purchase, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds are terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase will terminate and neither the Underwriters nor the City will be under further obligation or have any

further liability hereunder, except as to the obligations set forth in paragraph 9 hereof.

9. Expenses. The Underwriters shall be under no obligation to pay any expenses incident to the performance of the obligations of the City hereunder. All such expenses, including but not limited to: (i) the cost of the preparation and reproduction and mailing or delivery of the Ordinance, the Airline Documents, the City Documents, the Preliminary Official Statement (including any amendments or supplements thereto) and the Official Statement (including any amendments or supplements thereto prepared prior to the Closing); (ii) the cost of the preparation and printing, if any, of the Bonds; (iii) the fees and disbursements of Co-Bond Counsel to the City; (iv) the fees and disbursements of any accountants and advisors of the City and of any consultants retained by the City; (v) fees for any bond ratings; (vi) fees for state securities law filings, if any; (vii) the fees of [M.S.T.C.], (viii) all fees and expenses relating to any credit enhancement obtained in support of the Bonds; and (ix) any other expenses incurred in connection with the issuance of the Bonds and not specifically assumed by the Underwriters hereunder, shall be paid by the Airline out of the proceeds of the Bonds or otherwise. The City shall be under no obligation to pay, and the Underwriters shall pay: (i) the cost of preparation and reproduction of the Agreement Among Underwriters and this Contract of Purchase; (ii) the costs of preparation and reproduction of the Blue Sky Memorandum and Legal Investment Survey; (iii) all advertising expenses in connection with the public offering of the Bonds; (iv) an amount, if any, required to be paid to the Municipal Securities Rulemaking Board as its special assessment; and (v) all other expenses incurred by them or any of them in connection with their public offering and distribution of the Bonds, including the fees and disbursements of counsel retained by them.

10. Notices. Any notice or other communication to be given to the City under this Contract of Purchase must be given by delivering the same in writing at the address of the City set forth above, Attention: City Comptroller, Room 501, and any notice or other communication to be given to the Underwriters under this Contract of Purchase must be given by delivering the same in writing to: Smith Barney, Harris Upham & Co., Incorporated, Three First National Plaza, Suite 5200, Chicago, Illinois 60603, Attention: Public Finance Department, or such other address as the Senior Manager shall specify in writing.

11. Parties and Interests; Successors; Survival of Representations, and Warranties and Covenants. This Contract or Purchase is made solely for the benefit of the City and the Underwriters (including the successors or assigns of any Underwriter), and no other person may acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and covenants of the City contained in this Contract of Purchase will remain operative and in full force and effect regardless of (i) any investigations made by or on behalf of any of the Underwriters or (ii) delivery of and payment for their Bonds pursuant to this Contract of Purchase.

12. Time of the Essence. Time is of the essence in consummation of the transactions contemplated by this Contract of Purchase.

13. Counterparts. This Contract of Purchase may be executed in any number of counterparts, each of which, when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same Contract of Purchase.

14. Governing Law. This Contract of Purchase shall be governed by and construed in accordance with the laws of the State of Illinois.

15. Anti-Apartheid Compliance. Each of the Underwriters have executed the appropriate Anti-Apartheid Affidavit (the "Affidavit") attached to this Contract of Purchase as Exhibit D and incorporated into this Contract of Purchase by this reference.

The Underwriters understand and acknowledge that the City may declare a default and terminate all existing contracts with the Underwriters if the Underwriters violate any provision of Chapter 3-68 of the Municipal Code of Chicago (as applicable), including but not limited to (i) a violation of the certifications contained in the Affidavit; and (ii) the concealment of an existing contractual relationship or entering into a contractual relationship with (a) South Africa, (b) a South African business, or (c) any business or corporation for the express purpose of assisting operations in, or trading with any private or public entity located in South Africa. This right of termination is supplemental to any other remedy which the City may have under this Contract of Purchase, at law or in equity, and shall entitle the City to direct, indirect, special and consequential damages and any other applicable legal or equitable remedy.

Further, the Underwriters understand and acknowledge that any person who violates any provision of Chapter 3-68 of the Municipal Code of Chicago shall be subject to a fine of not less than $500 and not more than $1,000 for each offense. This fine shall be in addition to the remedy of termination enumerated above, and any other remedy available under applicable law.

16. Effectiveness. This Contract of Purchase will become effective upon the execution and the acceptance hereof by the appropriate officers of the City and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

Smith Barney, Harris Upham & Co., Incorporated

George K. Baum & Company

Goldman, Sachs & Co.

Pryor, McClendon, Counts & Co., Inc.

Smith, Mitchell & Associates, Inc.

By: Smith Barney, Harris Upham & Co., Incorporated

By: ______________________________
Vice President
on behalf of the Representatives

The foregoing is hereby accepted as of the date first written above:

City of Chicago

By: ______________________
City Comptroller

Concur:

By: ______________________
Chairman, Committee on Finance, Chicago, City Council

[Exhibits "A", "B" and "C" attached to this Contract of Purchase constitute the Official Statement. Preliminary Official Statement and Letter of Representation, respectively, to the ordinance.]

Exhibit "D" and Schedule "I" attached to this Contract of Purchase read as follows:

Exhibit "D".

Anti-Apartheid Affidavit.

____

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____

____

Schedule "I".

Other Underwriters.

____

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____

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$____________

City Of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

(Compagnie Nationale Air France Project)

Series 1990.

Letter Of Representation.

December ____, 1990.

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
As Manager of the several Underwriters
under the Purchase Contract
hereinafter defined

Ladies and Gentlemen:

1. Introduction. This Letter of Representation is being executed and delivered by Compagnie Nationale Air France (the "Airline"), in order to induce Smith Barney, Harris Upham & Co., Incorporated (the "Manager"), George K. Baum & Company, Goldman, Sachs & Co., Pryor, McClendon, Counts & Co., Inc. and Smith, Mitchell & Associates, Inc. (the

"Underwriters"), and the City of Chicago, Illinois (the "City") to enter into a Contract of Purchase (the "Purchase Contract"), a copy of which has been delivered to the Airline, relating to the purchase by the Underwriters of $__________ in aggregate principal amount of the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project), Series 1990 (the "Bonds"). The Bonds shall be dated, mature, bear interest and have the further terms as set forth in the Official Statement of the City dated the date hereof such Official Statement, including the cover page, Summary Statement and all appendices attached thereto is hereinafter called the "Official Statement", except that if the Official Statement is amended with the approval of the Manager between the date hereof and the Closing (as defined in the Purchase Contract), the term "Official Statement" shall refer to the Official Statement as so amended). The Bonds are to be issued pursuant to and secured by an Indenture of Trust Securing Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project) dated as of December 1, 1990 (the "Indenture") between the City and Independence Bank of Chicago and The First National Bank of Chicago, as trustees (collectively, the "Trustee"). The proceeds from the sale of the Bonds will be used, together with interest earnings thereon, to finance (i) the Project, as defined in the Special Facility Use Agreement (Cargo Facility) dated as of December 1, 1990 (the "Agreement"), by and between the City and the Airline; (ii) the interest on the Bonds during the construction of the Project; (iii) a debt service reserve fund established under the Indenture; and (iv) the cost of issuance related to the Bonds. The land underlying the Project will be leased by the City to the Airline pursuant to a Cargo Building Site Lease dated as of December ____, 1990 (the "Site Lease"). [Payment of the principal of and interest and redemption premium, if any, on the Bonds will be guaranteed by the Airline pursuant to a Guaranty from the Airline to the Trustee dated as of December 1, 1990 (the "Guaranty")]. The Airline, the City and the Trustee will enter into an Arbitrage Compliance Agreement dated as of December 1, 1990 and the Airline will deliver its Project Cost and Tax Certificate dated as of the Closing (collectively, the "Tax Agreement"). [The Bonds will be remarketed by Smith Barney, Harris Upham & Co., Incorporated, as Remarketing Agent (the "Remarketing Agent"), pursuant to a Remarketing Agreement to be dated the date of issuance of the Bonds (the "Remarketing Agreement") between the Company and the Remarketing Agent. The Airline, the City, the Remarketing Agent, the Trustee and __________ (the "Tender Agent") will enter into a Tender Agent Agreement dated as of December 1, 1990 (the "Tender Agent Agreement") pursuant to which the Tender Agent will act as tender agent, co-paying agent and co-bond registrar for the Bonds]. The Agreement, [the Guaranty], the Site Lease [and] the Tax Agreement [the Remarketing Agreement and the Tender Agent Agreement] are referred to herein as the "Airline Documents".

2. Representations, Warranties and Covenants of Airline. In consideration of the execution and delivery of the Purchase Contract by the

City and the Underwriters, the Airline represents, warrants and covenants to and with the City and the Underwriters as follows:

(a) (i) The Airline is a corporation duly organized, validly existing and in good standing under the laws of the Republic of France and more than 99% of the issued and outstanding voting stock of the Airline is owned by the Republic of France; (ii) the Airline has due corporate authority to carry on the business in which it is engaged and to own or lease and operate properties used by it in such business, as described in the Official Statement; and (iii) the Airline is duly authorized and qualified to do business and is in good standing as a foreign corporation authorized to do business in all nations, states and jurisdictions wherein the failure to so qualify would have a material adverse effect on the operations or business of the Airline; and (iv) except as set forth in the Official Statement, the Airline has all material authorization and approvals required at the date hereof to conduct its business as described or referred to in the Official Statement.

(b) The financial statements of the Airline referred to or included in the Official Statement, including the notes thereto, present fairly the financial position of the Airline 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 the new French Chart of Accounts, the Act of April 30, 1983, the implementing Decree of November 29, 1983 and the 4th Directive of the European Economic Community, applied on a consistent basis for the periods involved, and since the date of such financial statements, there has been no material adverse change in the condition, financial or otherwise, of the Airline.

(c) With respect solely to the information contained therein related to the Airline, the Project and the Airline's obligations under the Airline Documents, at the time of the Airline's execution of this Letter of Representation, the Official Statement is, and the Preliminary Official Statement dated December ____, 1990 (the "Preliminary Official Statement") as of its date of issue was, accurate in all material respects for the purposes for which its use is or was authorized. Except for the information contained in the Official Statement under the captions "Summary Statement -- The City", "-- Book-Entry Only System" and "-- The Airport", "The City", "The Airport", "Plan of Finance", "Bondholders' Risks -- Bankruptcy Issues" and "-- Possible Loss of Tax-Exempt Status", "Enforceability of Remedies", "Litigation", "Regulatory Proceedings and Proposed State Actions", "Tax Matters", "Underwriting", "Requirements of Florida's Department of Banking and Finance", "Miscellaneous" and "Authorization", and in Appendix B entitled "Form of Opinions of Co-Bond Counsel", as to which no view is expressed, the Official Statement, insofar as it relates to the Airline, the Project and the Airline's obligations under the Airline Documents, does not, and the Preliminary Official Statement, insofar as it relates to the Airline, the Project and the Airline's obligations under the Airline Documents, as of its issue date did not, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Airline authorizes the Underwriters to use the information related to the Airline, the Project and the Airline's obligations under the Airline Documents contained in the Official Statement, and consents to the use of the information related to the Airline, the Project and the Airline's obligations under the Airline Documents contained in the Preliminary Official Statement by the Underwriters prior to the date hereof, in connection with the public offering and sale of the Bonds. The Preliminary Official Statement, insofar as it relates to the Airline, the Project and the Airline's obligations under the Airline Documents, is an official statement deemed final as of its date within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "1934 Act"). The Airline confirms that it approves the purchase price to be paid by the Underwriters for the Bonds, as well as the other terms of the Bonds and all of the terms and conditions of the issuance, sale and delivery of the Bonds, as set forth in the Purchase Contract, and the offering price for the Bonds and the interest rate to be borne by the Bonds as set forth in the Official Statement.

(d) Neither the Airline nor any of its subsidiaries has sustained since the date of the latest audited financial statements referred to or included in the Official Statement any loss or interference material to the Airline and its subsidiaries, taken as a whole, with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Official Statement; and, since the date as of which information is given in the Official Statement, neither the Airline nor any of its subsidiaries has incurred any liabilities or obligations, direct or contingent, or entered into any transactions, not in the ordinary course of business, which are material to the Airline and its subsidiaries, taken as a whole, and there has not been any material change in the equity capitalization or long-term debt of the Airline or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Airline and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Official Statement.

(e) (i) The Airline has full power and authority to execute and deliver this Letter of Representation and the Airline Documents and to perform its obligations hereunder and thereunder and engage in the transactions contemplated by this Letter of Representation, the Airline Documents, the Indenture and the Official Statement, and this Letter of Representation and the Airline Documents have been duly authorized by the Airline and, when executed, will constitute legal, valid and binding obligations of the Airline enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights and remedies generally and the application of equitable principles and except to the extent that the indemnification provisions of this Letter of Representation may be held to be unenforceable by applicable securities law or public policy; (ii) the Airline has taken all actions necessary to enter into this Letter of Representation and the Airline Documents and to carry out its obligations hereunder and thereunder and to approve the Bonds, the Indenture and the Official Statement; (iii) the execution, delivery and performance by the Airline under this Letter of Representation and the Airline Documents and consummation of the transactions contemplated hereby and thereby and by the Indenture and Official Statement, and the fulfillment of, and compliance with, the terms thereof will not conflict with, or result in a breach or violation of or default under, any of the terms, provisions or conditions of the Airline's status or any existing law, court or administrative regulation, judgment, decree, order, agreement, indenture, mortgage, deed of trust, resolution, note agreement, lease or other agreement or instrument to which the Airline or any of its property or assets is bound and will not cause any debt of the Airline to become subject to acceleration; (iv) the enforceability of the Airline's obligations under this Letter of Representation and the Airline Documents is not subject to sovereign immunity or similar principles; (v) the officers and employees of the Airline who have executed this Letter of Representation and the Airline Documents have been duly and properly authorized to do so; (vi) the provisions of this Letter of Representation and the Agreement respecting governance, construction and submission to jurisdiction of any federal court within the federal court district of the Northern District of Illinois are valid under the laws of the Republic of France; and (viii) a judgment obtained in any such court against the Airline would be enforceable in the courts of the Republic of France.

(f) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, board or body, other than as described in the Official Statement, known to the Airline to be pending or threatened against or affecting the Airline, nor to the best knowledge of the Airline, is there any basis therefor, wherein a decision, ruling or finding would materially adversely affect the transactions contemplated by the Indenture, the Bonds, the Airline Documents, the Purchase Contract, this Letter of Representation or the Official Statement or the business or condition, financial of otherwise, of the Airline or which would adversely affect the validity or enforceability of the Indenture, the Bonds, the Airline Documents, the Purchase Contract, or this Letter of Representation.

(g) All approvals, consents and orders of any governmental authority, legislative body, board, agency or commission required to be obtained by the Airline in connection with the execution and delivery by the Airline of the Airline Documents and this Letter of Representation or the consummation of the other transactions contemplated by this Letter of

Representation, the Airline Documents or the Official Statement or the absence of which would materially adversely affect the due performance by the Airline of its obligations under the Airline Documents or this Letter of Representation have been duly obtained, other than approvals that may be required under state securities laws.

(h) The representations and warranties of the Airline contained in Section 2.2 of the Agreement are and will be at the Closing true and correct and there will at the Closing have been no breach by the Airline of the covenants contained in the Agreement.

(i) The Airline 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 Bonds to be applied in a manner contrary to that provided for in the Airline Documents and the Indenture.

(j) The Airline will notify the Underwriters and the City if, prior to the date of the Closing, any event occurs which is material to the business or condition, financial or otherwise, of the Airline or which makes any statement in the Official Statement with respect to the Airline, the Project or the Airline's obligations under the Airline Documents untrue in any material respect or which requires the making of any change in the Official Statement, in order to make the statements therein with respect to the Airline, the Project or the Airline's obligations under the Airline Documents not misleading, and the Airline will thereupon diligently cooperate with the Underwriters and the City and make any changes in the Official Statement which are reasonably requested by the Underwriters. After the Closing, and so long as any Underwriter or any participating dealer shall be offering the Bonds which constitute the whole or a part of their unsold participations until the earlier of (i) 90 days from the date of the Closing or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository (but in no event later than 25 days from the date of the Closing), the Airline agrees to advise the Manager and the City in writing of any development that impacts the accuracy and completeness of the key representations with respect to the Airline, the Project or the Airline's obligations under the Airline Documents contained in the Official Statement, within the meaning of Rule 15c2-12 under the 1934 Act. During that period the Airline will not adopt any amendment of, or supplement to, the Official Statement except with the written consent of the Manager and the City; and if any event relating to or affecting the Airline or the Project shall occur the result of which shall make it necessary, in the opinion of the Manager, to amend or supplement in the Official Statement in order to make it not misleading in the light of the circumstances existing at that time, the Airline and the City shall forthwith prepare and furnish to the Underwriters, at the expense of the Airline, a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Manager, so that the Official Statement then will not contain an untrue statement of a material fact with respect to the Airline, the Project or the Airline's obligations under the Airline Documents or omit to state a material fact with respect to the Airline, the Project or the Airline's obligations under the Airline Documents necessary to make the statements therein, in light of the circumstances existing at that time, not misleading.

(k) The Airline will diligently cooperate with the Underwriters to qualify the Bonds for offer and sale under the securities laws of such states as the Underwriters may reasonably request; provided that in no event shall the Airline be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to the general service of process in any jurisdiction where it is not now so subject.

(l) The Airline agrees to take all actions and perform and observe all of the obligations and covenants required to be taken, performed and observed by it in the Purchase Contract, subject to all of the terms and conditions set forth therein, including the delivery of all documents required to be delivered by it to the Underwriters at the Closing.

(m) Subject to the terms and conditions of the Purchase Contract, the Airline agrees to pay the expenses contemplated to be paid by the Airline pursuant to paragraph 9 thereof. If the Purchase Contract shall be terminated by the Underwriters because of any failure or refusal on the part of the City or the Airline to comply with the terms or to fulfill any of the conditions of the Purchase Contract or this Letter of Representation, or if for any reason the City shall refuse to enter into the Purchase Contract in the form referred to in paragraph 1 of this Letter of Representation by 5:00 P.M., Chicago time, on December ____, 1990, or the City shall be unable to perform the obligations or comply with the conditions respectively on its part contemplated to be performed or complied with under the Purchase Contract, or if for any reason the Airline shall be unable to perform the obligations or comply with the conditions on its part contemplated to be performed or complied with under the Purchase Contract or this Letter of Representation, the Airline agrees to reimburse the Underwriters for all out-of-pocket expenses (including the fees and disbursements of their counsel) incurred by the Underwriters in connection with Airline Documents, the Purchase Contract, the Official Statement, this Letter of Representation and the offering of the Bonds contemplated thereunder and hereunder. To the extent that the City takes the necessary and timely action to authorize and approve the Official Statement, the Airline shall cause to be delivered to the Underwriters within seven business days hereof sufficient quantities of the Official Statement to enable the Underwriters to comply with their obligations under paragraph (b)(4) of Rule 15c2-12 under the 1934 Act and the rules of the Municipal Securities Rulemaking Board.

(n) Any certificate signed by an authorized officer of the Airline and delivered to the City or the Underwriters or their respective counsel shall be deemed a representation and warranty hereunder by the Airline to the City and the Underwriters as to the matters covered thereby.

3. Agreement of Underwriters. The Underwriters jointly and severally agree with the Airline that subject to the execution and delivery of the Purchase Contract by 5:00 P.M., Chicago time, on December ____, 1990 by the City and the Manager, on behalf of the Underwriters, the Underwriters will perform and observe all the obligations and agreements made or undertaken by them in the Purchase Contract, subject to all of the terms and conditions set forth therein.

4. Indemnification. (a) The Airline agrees to indemnify and hold harmless the Underwriters, each person, if any, who controls any Underwriter within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), the 1934 Act or otherwise and the City and its officers and employees, against any and all losses, claims, damages, liabilities, joint or several, and expenses (including legal fees and expenses, expenses of investigation or other expenses reasonably incurred in connection with and any amount paid in settlement of, any action, suit or proceeding or any claim asserted) caused by any untrue or misleading or alleged untrue or misleading statement of a material fact within the written information furnished by the Airline and referred to or contained in the Preliminary Official Statement or the Official Statement including, without limitation, Appendix A in its entirety, or in any amendment or supplement thereto, or caused by any omission or alleged omission to state, within the written information furnished by the Airline and referred to or contained in the Preliminary Official Statement or the Official Statement, or in any amendment or supplement thereto, a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided 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, claim, damage, liability or expense arising from the sale of the 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 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, liability or expense asserted by such person, or (B) the Airline or the City, acting at the request or direction of the Airline, shall have furnished to the Manager at least twenty-four hours prior to written confirmation of the sale by such Underwriter, proposed amendments or supplements to the Official Statement relating to the untrue or misleading or alleged untrue or misleading 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, would

have corrected the statement or omission giving rise to and forming the basis for the loss, claim, damage, liability or expense asserted by such person. It is understood that the Manager shall be responsible for providing any such proposed amendments or supplements to the Official Statement to the other Underwriters on a timely basis. This indemnity agreement under this subparagraph 4(a) shall extend upon the same terms and conditions to each officer, director or partner of the Underwriters, to each officer, director or partner of any person who controls any Underwriter, to each employee of any Underwriter, to each employee of any person who controls any Underwriter, and to each officer and employee of the City. This indemnity agreement will be in addition to any liability that the Underwriters otherwise may have.

(b) The Underwriters agree to indemnify and hold harmless the Airline, each person, if any, who controls the Airline within the meaning of the Securities Act, the 1934 Act or otherwise and the City, against any and all losses, claims, damages, liabilities, joint or several, and expenses (including legal fees and expenses, expenses of investigation or other expenses reasonably incurred in connection with and any amount paid in settlement of any action, suit or proceeding or any claim asserted) caused by any untrue or misleading or alleged untrue or misleading statement of a material fact within the written information furnished by the Underwriters for use 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, within the written information furnished by the Underwriters for use in the Preliminary Official Statement, the Official Statement, or any amendment or supplement thereto, a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. This indemnity agreement under this subparagraph 4(b) shall extend upon the same terms and conditions to each officer, director, employee or partner of any person who controls the Airline and to each officer and employee of the City. This indemnity agreement will be in addition to any liability that the Airline otherwise may have.

(c) If any action or claim (including any governmental investigation) shall be brought or asserted against any indemnified party 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 an indemnifying party under subparagraph (a) or (b) above, such indemnified party shall promptly notify the indemnifying party in writing, and the indemnifying party shall assume the defense thereof, including the employment of counsel and the payment of all expenses. Such indemnified party 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 each indemnified party unless (i) employment thereof has been specifically authorized by the indemnifying party, (ii) the indemnifying party has failed to assume the defense and employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include any such indemnified party, and the indemnifying party and such indemnified party shall have been advised by its counsel that there are one or more legal defenses available to it which are different from or additional to those available to the indemnifying party and that representation of such indemnified party and the indemnifying party by counsel representing the indemnifying party would be inappropriate under applicable standards of professional conduct (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party); provided that the indemnifying party shall not be liable, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, for the fees and expenses of more than (A) one separate firm of attorneys at any point in time for all the Underwriters and persons controlling the Underwriters (which firm shall be designated in a written notice to the indemnifying party signed by the Manager on behalf of the Underwriters), (B) one separate firm of attorneys for the City (which firm shall be designated in a written notice to the indemnifying party signed by the City) and (C) one separate firm of attorneys for the Airline and persons controlling the Airline (which firm shall be designated in a written notice to the indemnifying party signed by the Airline). Notwithstanding the foregoing, the indemnifying party shall not be liable in connection with any such action or separate but substantially similar actions arising out of the same general allegations or circumstances, for the fees and expenses of more than one separate firm of attorneys (which firm shall be designated in a written notice to the indemnifying party signed by the indemnified party), at any point in time for such indemnified party, unless any such indemnified party shall have been advised by its counsel to the effect that there are one or more legal defenses available to it which are different from or additional to those available to another indemnified party (which advice shall have been concurred with by counsel representing such other indemnified party), and that representation of such indemnified parties by a single firm of attorneys would be inappropriate under applicable standards of professional conduct. An indemnifying party shall not be liable for any settlement of such action without its consent, but if settled with the consent of the indemnifying party, or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in subparagraph (a) or (b) above is due in accordance with its terms but is for any reason held by a court to be unavailable on grounds of policy or otherwise, the Airline and the Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including legal and other expenses reasonably incurred in connection with investigating or defending same) to which the Airline and the Underwriters may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Airline and the Underwriters from the offering of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above, but also the relative fault of the Airline or the Underwriters in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Airline and the Underwriters shall be deemed to be in the same respective proportions as the net proceeds from the offering (before deducting expenses) utilized by the Airline and the underwriting discount received by the Underwriters, in each case as set forth in the Official Statement, bear to the aggregate public offering price of the Bonds. The relative fault of the Airline and the Underwriters shall be determined by a reference to, among other things, whether the untrue or alleged untrue statement of a material fact relates to written information supplied by the Airline or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Airline, the City and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subparagraph (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the foregoing provisions of this subparagraph (d). Notwithstanding the provisions of this subparagraph (d), (x) in no case shall any Underwriter be responsible for any amount in excess of the aggregate underwriting discount applicable to the Bonds purchased by such Underwriter hereunder and (y) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this subparagraph (d) are several (and not joint) in proportion to the respective principal amount of Bonds to be purchased by each Underwriter. For purposes of this paragraph 4, each officer, partner or employee of the Underwriters and each person, if any, who controls the Underwriters within the meaning of the Securities Act, the 1934 Act or otherwise shall have the same rights to contribution as the Underwriters, each person, if any, who controls the Airline within the meaning of the Securities Act, the 1934 Act or otherwise, each officer and each director of the Airline shall have the same rights to contribution as the Airline, and each employee of the City involved in the preparation of the Preliminary Official Statement and the Official Statement and each person who controls the City within the meaning of the Securities Act, the 1934 Act or otherwise shall have the same rights to contribution as the City, subject in each case to clauses (x) and (y) of this subparagraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subparagraph (d), notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this subparagraph (d).

(e) The indemnity, contribution and other agreements contained in this Letter of Representation and the representations and warranties of the Airline set forth in this Letter of Representation shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter, the Airline or the City, (ii) any termination of the Airline Documents or this Letter of Representation, and (iii) the delivery and sale of the Bonds. Any successor of any Underwriter or the City, as the case may be, shall be entitled to the benefit of the indemnity and contribution agreements contained in this paragraph 4. The term "successor" shall not include any purchaser of Bonds from any Underwriter merely because of such purchase.

5. Parties and Interests; Successors. This Letter of Representation is made solely for the benefit of the Underwriters, persons controlling any Underwriter and the City, 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 Bonds from any Underwriter merely because of such purchase.

6. Approval of Purchase Contract. The execution and delivery of this Letter of Representation by the Airline shall constitute the Airline's approval of and consent to the entering into, acceptance and execution of the Purchase Contract and performance thereunder by the Underwriters and the City.

7. Notices. Any notice or other communication to be given under this Letter of Representation may be given by delivering the same in writing to the Airline, to the Legal Services Manager/USA at Compagnie Nationale Air France, 888 Seventh Avenue, New York, New York 10106; if to the Underwriters, at their respective addresses set forth on Schedule I attached hereto; and if to the City, to the address set forth on the first page hereof, Attention: City Comptroller. The Airline, the City and the Underwriters shall each be fully entitled to rely upon notice given pursuant to this paragraph 7 and to act thereon.

8. Effectiveness. This Letter of Representation shall become effective upon execution hereof. Subject to subparagraph 4(e) hereof, this Letter of Representation shall terminate if the Purchase Contract is not executed on or before December ____, 1990.

9. Governing Law; Consent to Service of Process and Jurisdiction. The validity, interpretation and performance of this Letter of Representation shall be governed by the laws of the State of Illinois. All judicial proceedings brought against the Airline with respect to this Letter of Representation may be brought in any federal court of competent

jurisdiction having situs within the boundaries of the federal court district of the Northern District of Illinois, and by execution and delivery of this Letter of Representation, the Airline accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. The Airline has irrevocably designated and appointed the representative designated on the signature page of the Site Lease under the heading "Designation of Agent for Service of Process", as its agent in Chicago, Illinois to receive on its behalf service of all process in any such proceedings in any such court (which representative shall be available to receive such service at all times), such service being hereby acknowledged by the Airline to be effective and binding service in every respect. The Airline irrevocably waives any objection (including without limitation any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Letter of Representation in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Underwriters of the City to bring proceedings against the Airline in the courts of any other jurisdiction.

10. Waiver of Sovereign Immunity. The Airline waives any rights of sovereign immunity that it may now or hereafter possess under the United States Foreign Sovereign Immunities Act or otherwise with respect to the enforceability of its obligations under this Letter of Representation, except that the Airline reserves the right to cause any proceedings brought against the Airline in the courts of any jurisdiction except the federal court district of the Northern District of Illinois to be removed to any federal court having situs within the Northern District of Illinois.

11. Counterparts. This Letter of Representation may be executed in several counterparts, which together shall constitute one and the same instrument.

Very truly yours,

Compagnie Nationale Air France

Witness:

By: ____________________ By: ____________________

Title: ____________________ Title: ____________________

Accepted and confirmed as of the date first above written:

This _______ of December, 1990

Smith Barney, Harris Upham & Co., Incorporated
George K. Baum & Company
Goldman, Sachs & Co.
Pryor, McClendon, Counts & Co., Inc.
Smith, Mitchell & Associates, Inc.

By: Smith Barney, Harris Upham & Co., Incorporated

By: ______________________

Title: ______________________

On behalf of the Underwriters,

Accepted and confirmed as of the date first above written:

This _______ of December, 1990

City of Chicago

By: ______________________

Its: City Comptroller

Schedule "I" attached to this Letter of Representation reads as follows:

Schedule "I".

Smith Barney, Harris Upham & Co.,
Incorporated
1345 Avenue of the Americas
New York, New York 10105

George K. Baum & Company
54 West Hubbard Street
Suite 400
Chicago, Illinois 60610

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Pryor, McClendon, Counts & Co., Inc.
307 North Michigan Avenue
Chicago, Illinois 60601

Smith, Mitchell & Associates, Inc.
1201 Western Avenue
Suite 502
Seattle, Washington 98101

General Tax Certificate

City Of Chicago.

$__,000,000

Chicago-O'Hare International Airport

Special Facility Revenue Bonds,

Series 1990.

(Compagnie Nationale Air France Project)

The Undersigned, Walter K. Knorr, hereby certifies that he is the duly qualified and acting City Comptroller of the City of Chicago (the "City"), and further certifies in connection with the issuance and sale of $__________ aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1990 (Compagnie Nationale Air France Project) (the "Bonds"), as follows:

1. Authorization For The Bonds; Definition Of Code And Regulations.

The Bonds are authorized and are being issued pursuant to an ordinance duly adopted by the City Council of the City on ____________________, 1990 (the "Bond Ordinance"). The Bonds are secured under an Indenture of Trust, dated as of _____________ (the "Indenture"), from the City to Independence Bank of Chicago, a banking corporation organized, existing and authorized under the laws of the State of Illinois, as Trustee (the "Trustee"). For purposes of this Certificate, the term "Code" means, except as otherwise expressly provided, the Internal Revenue Code of 1986, as amended, and the term "Regulations" means applicable Income Tax Regulations promulgated thereunder, including, to the extent applicable to the Bonds, the Income Tax Regulations promulgated under the Internal Revenue Code of 1954, as amended.

2. Purpose Of The Bonds.

2.1. The Bonds are being issued in order to finance a portion of the cost of the acquisition, construction and equipping of certain capital improvements (the "Project") at Chicago-O'Hare International Airport (the "Airport") for the benefit of Compagnie Nationale Air France, a corporation organized and existing under the laws of the Republic of France (the "Airline"). The Project is described in Exhibit A provided by the Airline and attached hereto.

2.2. Concurrently with the delivery of the Bonds, the City and the Airline will enter into a Special Facility Use Agreement (Cargo Facility) dated as of _________________ (the "Special Facility Use Agreement"), providing for the use of the Project by the Airline and the payment by the Airline of amounts sufficient to pay the principal of and interest on the Bonds.

3. Application Of Bond Proceeds.

3.1. The proceeds derived from the sale of the Bonds will be applied for the purposes, and deposited in the funds held under the Indenture, as follows:

Fund	Purpose	Amount
Construction Fund	Pay Project costs and financing costs	

Fund	Purpose	Amount
Debt Service Reserve Fund	Establish a reasonably required reserve fund	

4. Exempt Facility.

4.1. Based on representations of the Airline and to the best knowledge of the City, no part of the acquisition, construction, or equipping of the Project commenced prior to the adoption by the City Council of the City of an ordinance (the "Inducement Ordinance") on July 19, 1990, taking official action with respect to the Project. A copy of the Inducement Ordinance is attached hereto as Exhibit B.

4.2. Reference is hereby made to the Airline's Project Cost and Tax Certificate, dated the date hereof, stating, among other things, that (a) the Costs of Issuance of the Bonds to be financed by the Bonds will not exceed an amount equal to 2% of the proceeds derived from the sale of the Bonds, and (b) not less than ninety-five percent (95%) of the Net Proceeds derived from the sale of the Bonds will be used to provide facilities that qualify as "airports", or facilities functionally related and subordinate thereto, within the meaning of Section 142(a)(1) of the Code and the Regulations. A copy of the Airline's Project Cost and Tax Certificate is attached hereto as Exhibit C.

4.3. Based on the advice of Bond Counsel, there are no "Imputed Proceeds" of the Bonds within the meaning of the Regulations because, pursuant to Section 1.103-8(a)(7), (a) the Bonds do not have a stated rate of interest that increases over the term of the issue, and (b) the purchase price of the Bonds is at least 95% of the aggregate principal amount of the Bonds.

4.4. The Airport is, and the Project will be, available on a regular basis for use by the general public or for use by common carriers or charter carriers that directly serve the general public.

5. Public Hearing.

5.1. On ___________, 1990, the Finance Committee of the City Council of the City held a hearing with respect to the issuance of the Bonds. The hearing was open to the public, and an opportunity was provided for all interested persons to comment on the proposed issuance of the Bonds. The official transcript of the meeting at which the public hearing was held is attached hereto as Exhibit D-1.

5.2. As evidenced by the publisher's affidavit attached hereto as Exhibit D-2, notice of the public hearing was published in the ___________ on ___________ ____, 1990.

6. Public Approval.

6.1. On ____________, 1990, the City Council of the City adopted an ordinance approving the issuance of the Bonds (the "Bond Ordinance"), which Bond Ordinance is attached hereto as Exhibit E.

6.2. The Project is situated entirely within the territorial boundaries of the City. The City is the owner and operator of the Airport and thus is deemed to be the only governmental unit having jurisdiction over the Airport for purposes of Section 147(f) (3) of the Code.

7. Private Activity Bond Limit.

7.1. By the adoption of the Bond Ordinance, the City has allocated to the Bonds __________________ of its "Private Activity Volume Cap" pursuant to Section 146 of the Code. Such amount equals the portion of the Bonds used to finance the Other Property as that term is defined in Section 9(D) of the Airline's Project Cost and Tax Certificate. Such amount shall be derived from the City's 1988 Private Activity Bond Volume Cap as carried forward by the City for the Airport pursuant to a "Carryforward Election of Unused Private Activity Bond Volume Cap" (Form 8328). A copy of such election is attached hereto as Exhibit F. Such carried forward amount has not heretofore been used for any other bonds issued by the City, except as set forth in Exhibit F-2.

8. Reporting Requirements.

8.1. Attached hereto as Exhibit G is a copy of Internal Revenue Service Form 8038 as completed by the City with respect to the Bonds.

8.2. The City shall file an original executed copy of said Form 8038 by depositing same with the United States Postal Service for delivery to the Internal Revenue Service Center in Philadelphia, Pennsylvania on or before the fifteenth day of the second calendar month after the close of the calendar quarter that contains the Date of Issuance as defined in the Arbitrage Compliance Agreement.

8.3. The City will provide Bond Counsel a copy of the receipt of the United States Postal Service received by the City upon such deposit.

9. Average Maturity Of The Bonds.

9.1. A report has been prepared by ______________ calculating the "average reasonably expected economic life" of the assets to be financed with the proceeds of the Bonds (the "Assets"), which report is attached hereto as Exhibit H. For purposes of such report, the term "average reasonably expected economic life" has the meaning provided in Section 147(b) of the Code.

9.2. A report has been prepared by ________________ calculating the "average maturity" of the Bonds, which report is attached hereto as Exhibit I. For purposes of such report, the term "average maturity" has the meaning provided in Section 147(b) of the Code.

9.3. On the basis of the reports referred to in paragraphs 9.1 and 9.2 above, the average maturity of the Bonds (________________ years) does not exceed 120% of the average reasonably expected economic life of the Assets (________________ years) and the term of the Special Facility Use Agreement is not more than 80% of the average reasonably expected economic life of the Assets.

10. Election To Use Transition Rule.

10.1. By the adoption of the Bond Ordinance, the City has expressly elected to apply to the Bonds $______________ of the bond authorization set forth in Section 1317(5) (B) of the Tax Reform Act of 1986.

In Witness Whereof, The undersigned has hereunto subscribed this official signature, this ____th day of __________, 1990.

City of Chicago

By: ____________________________
City Comptroller

[Exhibits "A", "B", "C", "D-1", "D-2", "E", "F-1", "F-2", "G", "H" and "I" attached to this General Tax Certificate unavailable at time of printing.]

Non-Arbitrage Certification.

City Of Chicago

$____,000,000

Chicago-O'Hare International Airport

Special Facility Revenue Bonds

Series 1990.

(Compagnie Nationale Air France)

The undersigned, Walter K. Knorr, hereby certifies that he is the duly qualified and acting City Comptroller of the City of Chicago (the "City"), and further certifies in connection with the issuance and sale of $______________ aggregate principal amount of the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1990 (Compagnie Nationale Air France Project) (the "Bonds"), as follows:

1. General.

1.1. The undersigned, along with other officials of the City, is charged with the responsibility of issuing the Bonds.

1.2. This certification is made pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any Treasury Regulations heretofore or hereafter promulgated thereunder, including, to the extent applicable, Sections 1.103-13, 1.103-14, 1.103-15, 1.103-15AT, 1.148-OT through 1.148-9T, 1.149(d)-IT, and 1.150-OT through 1.150-IT as amended to the date hereof (the "Regulations"). Words and phrases used herein have the same meanings as used in the Code and the Regulations unless otherwise defined herein or unless another meaning shall be apparent from the context.

1.3. The City has not been notified of any listing or proposed listing of the City by the Internal Revenue Service as a bond issuer whose certifications may not be relied upon.

1.4. This certification is based on facts, estimates and circumstances in existence on the date of issuance of the Bonds.

1.5. The facts, estimates and circumstances or any representations regarding thereto set forth herein are made in reliance upon statements and information supplied by or on behalf of the Airline (as herein defined) as of the date hereof.

1.6. To the best of my knowledge, information and belief, the conclusions, representations and expectations set out in this certification are reasonable, and there are no facts, estimates or circumstances that would materially change such conclusions, representations and expectations.

2. Definitions.

Except as otherwise defined herein, the capitalized terms used herein shall, for all purposes of this Certification, have the meanings specified in the Arbitrage Compliance Agreement unless otherwise specified in this paragraph 2, or unless the context clearly requires otherwise.

"Airline" means Compagnie Nationale Air France, a corporation organized and existing under the laws of the Republic of France, and its successors and assigns.

"Arbitrage Compliance Agreement" means the Arbitrage Compliance Agreement, dated as of ____________, among the City, the Airline and the Trustee.

"Special Facility Use Agreement" means the Special Facility Use Agreement (Cargo Facility), dated as of ____________, between the City and the Airline.

"Trustee" means Independence Bank of Chicago, a banking corporation organized, existing and authorized under the laws of the State of Illinois, and its successors and assigns, as trustee under the Indenture of Trust, dated as of ____________, from the City to the Trustee ("Indenture").

3. Authorization And Description Of The Bonds.

3.1. The Bonds are authorized and issued pursuant to an Ordinance entitled "An Ordinance Providing For The Financing By The City Of Chicago Of Certain Airport Related Facilities, Authorizing The Issuance Of Not To Exceed $25,000,000 Chicago-O'Hare International Airport Special Facility Revenue Bonds (Compagnie Nationale Air France Project) Series 1990 And Confirming The Sale Thereof, 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 Special Facility Use Agreement, An Indenture Of Trust, A Bond Purchase Agreement And Related Documents", duly adopted by the City Council of the City on ________________(the "Bond Ordinance"). The Bonds are secured under an Indenture of Trust, dated as of __________________from the City to the Trustee.

3.2. The Bonds mature on May 1, 2018.

3.3. The Indenture contains interest rate and tender provisions that apply to the Bonds. Attached hereto as Exhibit A is a description of such interest rate and tender provisions.

4. Purpose Of Bonds.

4.1. The proceeds of the Bonds will be applied to (a) acquire, construct, and equip capital improvements at Chicago-O'Hare International Airport (including Capitalized Interest) as set forth in the Indenture (the "Project"), (b) establish and fund the Debt Service Reserve Fund, and (c) pay the Costs of Issuance of the Bonds and the initial fees and charges of the Credit Provider (as defined in the Indenture), if any. No portion of the Bonds is being issued solely for the purpose of investing the proceeds thereof at a yield which exceeds the Yield on the Bonds.

4.2. The Original Proceeds and Investment Proceeds of the Bonds do not exceed the amount required to accomplish the governmental purposes for which the Bonds are being issued. "Original Proceeds" and "Investment Proceeds", for purposes of this Certification, have the meanings given such terms in Section 1.103-13(b)(2) of the Regulations.

4.3. Attached hereto as Exhibit B is a summary of Projected Sources and Uses of Funds in connection with the Bonds.

4.4. No Replacement. The City does not have on hand any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Bonds are being issued which, instead of being used for such purposes, will now be invested at a yield in excess of the Yield on the Bonds.

5. Sale Of The Bonds.

5.1. The Bonds have been sold to ___________, and _____________, for a purchase price of _______________, reflecting an underwriting discount of __________________ (or ________________% of the aggregate principal amount of the Bonds). An amount equal to ______________ is the initial offering price at which a substantial amount of the Bonds was sold to the public (excluding bond houses and brokers) as evidenced by the letter from ____________ attached hereto as Exhibit C.

6. Expectations As To Use Of Proceeds.

6.1. The Airline has, prior to the delivery of the Bonds, incurred substantial binding obligations with respect to the Project equal to at least $100,000. Acquisition, construction, and equipping of the improvements to be financed with the proceeds of the Bonds will proceed with due diligence. It is anticipated that in excess of eighty-five percent (85%) of the spendable proceeds of the Bonds will be expended prior to ______________. On the basis of the foregoing, Bond proceeds deposited into the Construction Fund will be invested for a temporary period without restriction as to yield for the period beginning on the date of issuance of the Bonds and ending upon the expenditure thereof, but not beyond ______________. After the expiration of such period, the Yield realized on such investments will not exceed the Yield on the Bonds by more than one-eighth of one percent.

6.2. Proceeds of the Bonds deposited into the Construction Fund to pay Costs of Issuance are expected to be disbursed no later than __________.

6.3. Investment earnings realized from the investment of the proceeds of the Bonds may be invested without regard to yield restriction during a one-year period beginning on the date of receipt of such investment earnings. After the expiration of such one-year period, the Yield realized on such investment earnings will not exceed the Yield on the Bonds by more than one-eighth of one percent.

7. Minor Portion.

7.1. The "minor portion" determined with reference to the Bonds has been calculated to be $100,000, which is equal to the lesser of (a) 5% of the principal amount of the Bonds (__________), or (b) $100,000.

8. Establishment Of Funds Under The Indenture.

8.1. The Indenture creates and establishes the following Funds and Accounts:

(1) Construction Fund:

(a) Costs of Issuance Account

(b) Capitalized Interest Account

(c) Construction Account

(2) Bond Fund:

(a) Principal Account

(b) Interest Account

(3) Special Facility Revenue Fund

(4) Debt Service Reserve Fund

(5) Rebate Fund

8.2. The amount deposited in the Debt Service Reserve Fund does not exceed 10% of the proceeds of the Bonds. ___________________ (The "Underwriter") has stated in its letter attached hereto as Exhibit D that funding and maintenance of the Debt Service Reserve Fund at an amount equal to the Debt Service Reserve Fund Requirement for the Bonds (1) is necessary to successfully market the Bonds and that reserve funds similar to the Debt Service Reserve Fund are customarily used in connection with the issuance of tax-exempt bonds which are comparable to the Bonds, (2) does not exceed 125% of average annual debt service on the Bonds ($___________), and (3) does not exceed the maximum annual debt service on the Bonds ($________). Accordingly, the Debt Service Reserve Fund constitutes a reasonably required reserve fund for purposes of Section 1.103-14(d) of the Regulations.

9. Letter Of Credit.

The Underwriter has stated in a certificate attached hereto as Exhibit E, which the City has no reason to believe is untrue, that (i) the Letter of Credit as defined in the Indenture provided by the Bank as defined in the Indenture was essential in marketing the Bonds at the interest rate at which the Bonds were sold, (ii) the absence of the Letter of Credit would have materially affected in an adverse manner the interest rate at which the Bonds could have been sold, and (iii) the present value of the fees paid and to be paid for the Letter of Credit (including payment of its counsel's fees) is less than the present value of the interest reasonably expected to be saved over the term of the Letter of Credit as a result of using the Letter of Credit to secure the Bonds over the term of the Letter of Credit, using as the discount rate the expected yield at maturity on the Bonds treating the fees paid and to be paid for the Letter of Credit (including payment of its counsel's fees) as interest on the Bonds.

Attached hereto as Exhibit F is a letter of the Bank relating to the Bank, the Letter of Credit and its fee structure.

10. General Restriction As To Yield; Temporary Periods.

10.1. The Airline has covenanted in the Arbitrage Compliance Agreement not to permit the investment of any amounts constituting Gross Proceeds of the Bonds in Nonpurpose Investments having a Yield in excess of one-eighth (1/8) of one percent (1%) above the Yield on the Bonds, except as otherwise expressly permitted in paragraphs 10.2 through 10.6 hereof.

10.2. Bond proceeds and Investment Proceeds deposited into the Construction Fund will be invested for a temporary period without restriction as to yield pursuant to Section 148(c) of the Code and the applicable Regulations.

10.3. Amounts derived from sources other than the proceeds of the Bonds and deposited from time to time into the Bond Fund (other than in the Rebate Fund, as described in Section 11.2) will be invested for a temporary period without restriction as to yield pursuant to Section 148(c) of the Code and the applicable Regulations, since such amounts will be depleted once each year (commencing upon the date of deposit therein) except for a carryover amount not to exceed 1/12 of annual debt service.

10.4. Amounts derived from sources other than the proceeds of the Bonds and deposited from time to time in the Rebate Fund will be invested without restriction as to yield, since such amounts are not pledged to pay, nor expected to be used for the payment of, principal of or interest on the Bonds.

10.5. Except as provided in Section 10.2, Investment Proceeds will be invested without restriction as to yield for a temporary period commencing upon the date of receipt thereof and ending one year thereafter.

10.6. The times and amounts of payments under the Special Facility Use Agreement to be paid to the Trustee by the Airline for the account of the City have been calculated to provide for the deposit of moneys in the Bond Fund which will be equal to the amount necessary to enable the City to pay, when due, the interest and principal payments on the Bonds. All income from the investment of the amounts held by the Trustee in the Funds established under the Indenture inures to the benefit of the Airline. The administrative costs of issuing, carrying or repaying the Bonds and (assuming the Special Facility Use Agreement is an acquired purpose obligation within the meaning of the Regulations) the costs of purchasing, carrying and selling or redeeming the Special Facility Use Agreement will be borne by the Airline and paid by the Airline either directly or by reimbursement of such payments made by the City. Under these circumstances, the undersigned has been advised by Bond Counsel that the Yield on the Special Facility Use Agreement does not exceed the Yield on the Bonds. No other obligations are to be acquired with the proceeds of the Bonds except obligations to be purchased with the proceeds of the Bonds which are to be deposited in the Construction Fund, Bond Fund, and the Debt Service Reserve Fund, established under the Indenture. It is not expected that the payments required to be paid under the Special Facility Use Agreement will be prepaid.

11. Amounts Treated As Proceeds.

The City does not expect that the City, the Trustee, or the Airline will accumulate amounts of money in a fund or series of funds which is pledged or reasonably expected to be used to pay principal of or interest on the Bonds (or to replace funds used to pay principal of or interest on the Bonds), other than the Debt Service Reserve Fund and amounts (together with any investment earnings thereon) expected to be spent within twelve (12) months from the date of receipt thereof and deposited into the Bond Fund created under the Indenture. Pursuant to the Special Facility Use Agreement, the Airline is required to pay to the Trustee, for deposit into the Special Facility Revenue Fund, amounts which will be sufficient, together with other moneys held by the Trustee and available for such purpose, to enable the City to pay, when due, the interest and principal payments on the Bonds. The Special Facility Revenue Fund has been established to provide a proper matching of payments under the Special Facility Use Agreement with the debt service payments on the Bonds.

12. Arbitrage Compliance Agreement.

12.1. Concurrently with the execution and delivery of this Certification, the City, the Airline and the Trustee have entered into the Arbitrage Compliance Agreement with respect to the requirements of Section 148(f) of the Code.

12.2. The Indenture contemplates the creation of a Rebate Fund into which is required to be deposited all amounts calculated to be due and owing to the United States, all as set forth in the Arbitrage Compliance Agreement.

13. General Restrictions.

For purposes of determining the amount held in any Fund, investments will be taken into account at the purchase price thereof, provided that if an investment was purchased at a discount or results in interest payments for any annual period in excess of interest payments for any preceding annual period (reflecting the annual reinvestment of accrued interest as principal), the accrued amount of such discount or such excess interest, determined by treating the discount or excess interest as accruing ratably over the term of the obligation (not discounted to present value), is required to be added to the purchase price.

14. No Disposition Of Improvements.

The City has no present plan or intention to sell or otherwise dispose of all or any portion of the Project.

15. Bonds Not Part Of Another Issue.

There are no other governmental obligations (a) issued at substantially the same time as the Bonds, (b) sold pursuant to a common plan of financing with the Bonds, and (c) that will be paid out of substantially the same source of funds (or that will have substantially the same claim to be paid out of substantially the same source of funds) as will be used to pay the Bonds.

16. No Federal Guarantee.

No portion of the payment of debt service with respect to any part of the Bonds has been guaranteed, directly or indirectly (including by means of a lease or grant or other subsidy), by the United States (or any agency or instrumentality thereof).

In Witness Whereof, The undersigned has hereunto subscribed his official signature this ____th day of ________________, 1990.

City of Chicago

By: ________________________
City Comptroller

[Exhibits A, B, C, D, E and F attached to this Non-Arbitrage Certification unavailable at time of printing.]

Arbitrage Compliance Agreement.

This Arbitrage Compliance Agreement (the "Agreement"), dated as of ________________, is entered into by and among 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"), Compagnie Nationale Air France, a corporation organized and existing under the laws of the Republic of France (the "Airline"), and Independence Bank of Chicago, a banking corporation, organized, existing and authorized under the laws of the State of Illinois and having its principal corporate trust office in Chicago, Illinois, as Trustee (the "Trustee").

Witnesseth:

Whereas, This Agreement is being executed and delivered in connection with the issuance of the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1990 (Compagnie Nationale Air France Project) (the "Bonds"), for the purpose of financing a portion of the cost of acquiring, constructing, and equipping capital improvements at Chicago-O'Hare International Airport (the "Project"); and

Whereas, The Bonds are issued under and secured by an Indenture of Trust, dated as of ________________ (the "Indenture"), from the City to the Trustee; and

Whereas, Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations relating thereto (the "Regulations") impose certain requirements relating to the investment and use of funds held by the Trustee under the Indenture in order to preserve the exemption from Federal income taxation of interest on the Bonds; and

Whereas, The parties hereto have determined to enter into this Agreement in order to assure that such requirements as applied to the Bonds are fully satisfied on a continuous basis;

Now, Therefore, In consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, the Airline and the Trustee hereby agree as follows:

Article I.

Definitions.

Except as otherwise defined herein, the terms used herein shall for all purposes of this Agreement have the meanings specified in Article I of the Indenture, unless the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used in this Agreement shall have the following meanings:

"Accountant" means a certified public accountant or firm of certified public accountants selected by the Airline and satisfactory to the City, which may be a certified public accountant regularly employed by the Airline.

"Agreement" has the meaning specified in the recitations preceding Article I.

"Airline" has the meaning specified in the recitations preceding Article I.

"Bond Year" means the period from __________________ of each year to, but not including, ____________________ of the next year.

"Bonds" has the meaning specified in the recitations preceding Article I.

"City" has the meaning specified in the recitations preceding Article I.

"Code" has the meaning specified in the recitations preceding Article I.

"Computation Date" means the Installment Computation Date or the Final Computation Date.

"Date of Issuance" means __________________.

"Deficiency Amount" has the meaning specified in Section 2.7.

"Final Computation Date" means the date the last Bond that is part of this issue is discharged.

"Gross Proceeds" means:

(a) all amounts derived by the City from the sale of the Bonds and deposited into the Construction Fund and Investment Proceeds derived therefrom;

(b) amounts held from time to time in the Bond Fund and Investment Proceeds derived therefrom; and

(c) any other amounts that constitute "Gross Proceeds" of the Bonds under the Code and the Regulations.

"Higher Yielding Investments" has the meaning specified in Section 3.5.

"Indenture" has the meaning specified in the recitations preceding Article I.

"Initial Offering Price" means $______________________.

"Installment Computation Date" means the last day of the fifth Bond Year and the last day of each succeeding fifth Bond Year unless modified pursuant to Section 2.9.

"Investment Excess" has the meaning specified in Section 3.6.

"Investment Proceeds" means amounts earned from the investment of the Gross Proceeds of the Bonds and the reinvestment of such earnings.

"Investment Property" means any security (within the meaning of Section 165(g)(2) (A) or (B) of the Code), any obligation, any annuity contract or any property of any kind acquired for investment, provided that the term "Investment Property" shall not include Tax-Exempt Obligations.

"Investment Restriction Determination Date" means each of the following dates: (a) the last day of each Bond Year and (b) any date on which any portion of principal of the Bonds is paid prior to maturity resulting in a reduction in the scheduled debt service for the current Bond Year.

"Nonpurpose Investment" means any Investment Property acquired with Gross Proceeds of the Bonds and not acquired to carry out the governmental purpose of the issue, but shall not include the Special Facility Use Agreement.

"Nonpurpose Investment Yield Limit" equals the Yield on the Bonds as determined in Section 3.2.

"Project" has the meaning specified in the recitations preceding Article I.

"Purchase Price" means the fair market value of a Nonpurpose Investment on the date it is purchased, or, if later, the date on which the Nonpurpose Investment is pledged as security for the Bonds regardless of the amount actually paid for such Nonpurpose Investment, without taking into account fees and commissions paid in connection with the acquisition of such Nonpurpose Investment.

"Rebate Fund" means the fund of that name referred to in Section 2.5.

"Regulations" has the meaning specified in the recitations preceding Article I.

"Special Facility Use Agreement" means the Special Facility Use Agreement (Cargo Facility), dated as of ______________, between the City and the Airline.

"Tax-Exempt Obligation" means (i) any obligation, the interest on which is excludible from the gross income of the owner thereof for federal income tax purposes under Section 103(a) of the Code, and (ii) any other security that is not treated as "investment property" pursuant to Treasury Regulations or an official announcement of the Internal Revenue Service.

"Trustee" has the meaning specified in the recitations preceding Article I.

"Value" in reference to a Nonpurpose Investment means the Purchase Price of the Nonpurpose Investment, unless the Nonpurpose Investment is required to be revalued periodically, in which case the Nonpurpose Investment's Value is equal to its most recent value as so periodically revalued.

"Yield" on a Nonpurpose Investment shall be determined pursuant to the Regulations and generally means the discount factor which, when used to compute the present worth of all payments of principal and interest to be paid with respect to such Investment, produces an amount equal to its Purchase Price.

Article II.

Rebate Of Excess Earnings.

Section 2.1. Covenant To Comply With Rebate Requirement.

The Airline shall make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the rebate requirements contained in Section 148(f) of the Code and the Regulations with respect to the Bonds. Without limiting the foregoing, promptly following the Completion Date and within 10 days of each Computation Date, the Airline shall calculate or cause to be calculated the amount of arbitrage rebate, if any, due to the United States as of such date and the Trustee shall transfer the amount so determined to the Rebate Account. Transfers or payments necessary at any time to comply with the application of the arbitrage rebate requirement to the Bonds may be made from any Fund or Account held under the Indenture.

Section 2.2. Rebate Regarding Debt Service Funds.

Earnings on Nonpurpose Investments held in the Bond Fund are generally taken into account for purposes of the rebate requirement imposed by Section 148(f) of the Code and the Regulations. However, earnings in such Funds shall not be included in the computation of the amount to be paid to the United States government in Bond Years during which such earnings are less than $100,000.

Section 2.3. Accountant To Prepare Reports.

The City shall prepare and file with the Internal Revenue Service, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the issue was issued, a Form 8038 attached hereto as Exhibit A. Copies of such Form shall be furnished to the Airline and the Trustee.

Section 2.4. Trustee To Maintain Records.

The Trustee shall maintain adequate records pertaining to the funds and all transfers thereto, deposits therein, disbursements and transfers therefrom and earnings thereon, including the amount and source of each payment to, and the amount, purpose and payee of each payment from, each such fund. With respect to each Nonpurpose Investment, the Trustee shall maintain a record of the Purchase Price, purchase date, type of security, accrued interest paid, interest rate, principal amount, date of maturity, interest payment date, date of liquidation and amount received upon liquidation. If any investment becomes Gross Proceeds of the Bonds, including investments which are pledged or which are legally required or otherwise restricted to be used to pay principal of, premium, if any, or interest on the Bonds, the records required to be kept shall include the market value of such investment on the date it is so pledged or becomes so required or restricted. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the market value of such investment on the date the last Bond is retired. Amounts will be segregated wherever held in order to maintain these records. Such records shall be made available to the City promptly upon its reasonable request. The Trustee shall furnish any Accountant engaged by the Airline with such information as shall be reasonably necessary for the Accountant to perform its duties. Such records shall be retained by the Trustee for at least six (6) years following the final payment and retirement of the Bonds.

Section 2.5. Rebate Fund.

The Trustee shall create and maintain under the Indenture for the term of the Bonds a fund to be known as the "Rebate Fund". Amounts on deposit from time to time in the Rebate Fund shall be used only for the purpose of satisfying the requirements of Section 148(f) of the Code and shall not constitute a portion of the Trust Estate created under such Indenture. The Rebate Fund need not be maintained if the Airline obtains, and delivers to the Trustee and the City, an opinion of Bond Counsel to the effect that failure to maintain the Rebate Fund will not cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or otherwise adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. Amounts deposited into the Rebate Fund, and any earnings attributable to the investment thereof, shall be held in trust for future payment to the United States Government to the extent required by, and in accordance with, Section 148(f) of the Code and the Regulations. Moneys held in the Rebate Fund shall not be pledged as security for the payment of the principal of, premium, if any, or interest payable on the Bonds and shall remain in the Rebate Fund until either (a) the money is disbursed to the United States or (b) a determination is made by the Trustee that such funds are not owed to the United States under the rebate requirement of Section 148(f) of the Code based on calculations by Bond Counsel or an Accountant.

Section 2.6. Investment Of Rebate Fund.

(a) The Airline will direct the Trustee to continuously invest all amounts on deposit in the Rebate Fund in any investment permitted under the Indenture other than investments for which interest thereon is excludible from gross income for federal income tax purposes. In making such investments, the Airline shall take into account prudent investment standards and the Trustee shall perform such trusts as an ordinarily prudent trustee under a corporate mortgage and the Airline and the Trustee shall take into account the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence, due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit account of a bank, including the Trustee, with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

(b) Moneys to be rebated to the United States shall be invested in investments maturing on or prior to the anticipated rebate date. All investments of Gross Proceeds and amounts in the Rebate Fund shall be bought and sold at market prices, and no transaction shall be entered into that reduces the amount to be rebated to the United States because such transaction results in a smaller profit or larger loss than would have resulted if the transaction had been at arm's length and had the rebate requirement not been relevant to either party.

Section 2.7. Payments To The United States.

On or before the 60th day following each Installment Computation Date, the Trustee shall remit to the Internal Revenue Service an amount not less than 90% of the amount due to the United States under Code Section 148(f). On the latest of (a) the 60th day following the Final Computation Date, (b) 8 months after the Date of Issuance, and (c) the earlier of the date the City, based on the representations of the Airline, no longer reasonably expects Section 148(f)(4)(B) to apply to the issue and 14 months after the Date of Issuance, the Trustee shall remit 100% of the amount due to the United States under Code Section 148(f) to the Internal Revenue Service. Such payment shall be made from amounts on deposit in the Rebate Fund to the extent monies are available in such fund. If and to the extent sufficient amounts are not available in the Rebate Fund, or any other fund which may be transferred to the Rebate Fund, to make such payment, or otherwise fund the Rebate Fund pursuant to Section 2.1 hereof, the Trustee shall notify the

Airline within fifteen (15) days following the most recent Computation Date of the amount (the "Deficiency Amount") necessary, together with amounts on deposit in the Rebate Fund, to enable the Trustee to make such payment to the United States or otherwise fund the Rebate Fund pursuant to Section 2.1 hereof. The Airline shall pay the Deficiency Amount to the Trustee within five (5) days of receipt of notice from the Trustee of the Deficiency Amount. Each such payment to the United States shall be mailed by certified mail (return-receipt requested) to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, and shall be accompanied by Form 8038-T.

Section 2.8. Payments Of Penalty In Lieu Of Loss Of Tax Exemption.

In addition to the Deficiency Amount, the Airline shall pay to the Trustee an amount sufficient to enable the Trustee to make all necessary payments pursuant to Regulation Section 1.148-1T(c) (3) to the extent such provision is available to avoid the loss of tax exemption of the Bonds.

Section 2.9. Yield Period Election.

If the bonds bear Interest at a variable rate, the City elects under Temp. Treas. Reg. Section 1.148-3T(b)(2)(ii)(B) to treat the last day of each Bond Year as a computation date of purposes of Section 148(f) of the Code regarding rebate, which allows the computation of yield on the Bonds over a one-year period instead of a five-year period.

The above election is deemed part of the official transcript of the proceedings relating to the issuance of the Bonds and shall be maintained until six years after the date on which the last Bond is discharged.

Article III.

Investments And Matters Relating to Yield.

Section 3.1. Issue Price.

When relevant for purposes of this Agreement, "issue price" has the same meaning given such term by Sections 1273 and 1274 of the Code and has been calculated in the manner provided under those sections of the Code, the Regulations promulgated thereunder and under Sections 1.148-8T(c) and 1.150-1T(c) (2) of the Regulations.

Section 3.2. Definition Of Yield.

When relevant for purposes of this Agreement, "Yield on the Bonds" means the discount rate that when used in computing the present value of all of the unconditionally payable payments of principal and interest and all payments, if any, for a qualified guarantee (within the meaning of Section 1.148-3T (a) (12) of the Regulations) paid and to be paid with respect to the Bonds produces an amount equal to the present value, computed as of the date of issue of the Bonds, of the issue price of the Bonds. Yield on the Bonds has been calculated by ______________ in the manner provided in Sections 1.148-3T and 1.148-9T and all other applicable sections of the Regulations to be not less ____________________, as disclosed in the report attached hereto as Exhibit A.

Section 3.3. Yield-To-Maturity On The Bonds.

The Yield-to-Maturity on the Bonds does not exceed the lowest Yield on the Bonds by more than one-fourth of one percentage point. For this purpose, "yield-to-maturity" means the Yield on the Bonds determined by assuming that each of the Bonds is retired on its stated maturity date for its stated retirement price on such date, and the "lowest" Yield on the Bonds is the Yield determined by assuming that each of the Bonds is retired on the date (for the stated retirement price on the date) which produces the lowest yield.

Section 3.4. Investment Yield Limitations.

(a) The City, based on representations of the Airline, and Airline reasonably expect that all Gross Proceeds, to the extent not exempted in (b) below, shall be invested at market prices and at a yield not in excess of the Yield on the Bonds plus, for amounts in the Construction Fund only, one-eighth of one percent. Without limiting the foregoing, amounts deposited in the Special Facility Revenue Fund which are not reasonably expected to be transferred to the Bond Fund shall be invested at a yield not to exceed the Yield on the Bonds.

(b) Except as provided in Section 3.5 below, the following Gross Proceeds may be invested without regard to yield restrictions:

(i) amounts in the Rebate Fund;

(ii) amounts deposited in the Bond Fund, and that portion of the amounts deposited in the Special Facility Revenue Fund to be transferred to the Bond Fund, that are reasonably expected to be expended within 13 months from the date of first deposit in any fund under the Indentures and have not been on deposit thereunder for more than 13 months;

(iii) proceeds of the Bonds (including investment earnings) on deposit in the Construction Fund prior to the earlier of completion (or abandonment) of the Project or three years from the Closing;

(iv) amounts in the Debt Service Reserve Fund;

(v) earnings attributable to the investment of Gross Proceeds for a period of one year from the date of receipt; and

(vi) all amounts for the first 30 days after they become Gross Proceeds.

Section 3.5. 150% Of Debt Service Limitation.

Except as otherwise provided in Section 3.6, at no time shall the Value of Nonpurpose Investment having a Yield in excess of one-eighth of one percent (.125%) higher than the Nonpurpose Investment Yield Limit and held during a period that is not a "temporary period" specified in the Non-Arbitrage Certification relating to the Bonds ("Higher Yielding Investments") exceed 150% of the scheduled debt service for the current Bond Year. For purposes of calculating scheduled debt service on the Bonds, the interest rate to be applied to the Bonds during the current Bond Year shall be equal to the Nonpurpose Investment Yield Limit.

Section 3.6. Required Reduction Of Certain Investments.

(A) On or prior to the fifteenth (15th) day following each Investment Restriction Determination Date, the Airline shall make, or cause to be made, the following determinations:

First, the Airline shall calculate the Value of Higher Yielding Investments held on such Investment Restriction Determination Date.

Second, if the Value of Higher Yielding Investments as of such Investment Restriction Determinate Date exceeds one hundred fifty percent (150%) of the amount of scheduled debt service during the Bond Year for which the calculation is made ("Investment Excess"), the Airline shall determine whether Higher Yielding Investments equal in Value to the amount of the Investment Excess can be liquidated without incurring a loss and, if not, the amount of such loss.

Third, if an amount of Higher Yielding Investments equal to the Investment Excess can be liquidated only at a loss, the Airline shall ascertain whether the amount of such loss is greater or less than the amount of the rebate payment to the United States which would otherwise be required as a result of such Investment Excess.

(B) If Higher Yielding Investments can be liquidated without loss, or if the loss that would be realized is less than the rebate payment to the United States which would otherwise be required as a result of such Investment Excess, the Airline shall, within thirty (30) days of such Investment Restriction Determination Date, cause the Trustee to liquidate such Higher Yielding Investments (but, in no event in an amount which exceeds the Investment Excess), and shall invest the proceeds of such liquidation at a Yield not in excess of the Nonpurpose Investment Yield Limit (including through the purchase of United States Treasury Obligations -- State and Local Government Series) or in Tax-Exempt Obligations.

(C) If, after the application of Section 3.6(B) above, Higher Yielding Investments equal in Value to the amount of the Investment Excess can be liquidated only at a loss that is greater than the amount of the rebate payment to the United States which would otherwise be required as a result of such Investment Excess, no liquidation of such Higher Yielding Investments shall be required; provided, however, that when the rebate payment to the United States is greater than the loss determined under paragraph (A) above, the provisions of paragraph (B) above shall apply with respect to such Investment Excess.

3.7. No portion of the proceeds of the Bonds may be invested, directly or indirectly, in federally insured deposits or accounts, or otherwise cause such proceeds to be federally guaranteed, except as permitted by Section 149(b)(3)(B) of the Code.

Article IV.

Purchase And Sale Of Investment.

Section 4.1. Purchase Or Sale At Fair Market Value.

Whenever any Nonpurpose Investment is purchased or sold, such purchase or sale shall be made only at the fair market value of such

Nonpurpose Investment. The fair market value of Nonpurpose Investment shall be the mean of the bid and offered prices on an established market where such Nonpurpose Investment is traded on the date of purchase or sale, or, if earlier, on the date of a binding contract to purchase or sell such Nonpurpose Investment, or, if there are no bid and offered prices on such date, on the first day preceding such date for which there are bid and offered prices. A United States Treasury obligation purchased directly from the United States Treasury is treated as satisfying these requirements. Any other Nonpurpose Investment for which there is not an established market shall not be purchased or sold, except as permitted by Section 4.2 or Section 4.3.

Section 4.2. Certificate Of Deposit.

The purchase or sale of a certificate of deposit issued by a commercial bank is permitted if the price at which it is purchased or sold is the bona fide bid price quoted by a dealer who maintains an active secondary market in such certificates of deposit. If there is no active secondary market in such certificates of deposit, the purchase or sale of a certificate of deposit is permitted only if the certificate of deposit has a Yield that is both:

(i) as high as or higher than the Yield on comparable obligations traded on an active secondary market, as certified by a dealer who maintains such a market, and

(ii) as high or higher than the Yield available on comparable obligations offered by the United States Treasury.

The certification described in the preceding sentence must be executed by a dealer who maintains an active secondary market in comparable certificates of deposit, and must be based on actual trades adjusted to reflect the size and term of that certificate of deposit and the stability and reputation of the person issuing the certificate of deposit.

Section 4.3. Investment Contracts.

Investment obligations are permitted to be purchased or sold pursuant to an investment contract only if all of the following conditions are satisfied:

(A) at least three bids on the investment contract are received from persons other than those having an interest in the Bonds.

(B) a certification is provided by the person whose bid is accepted stating that, based on that person's reasonable expectations on the date that the contract is entered into, investment obligations will not be purchased pursuant to the investment contract at a price in excess of their fair market value, or sold pursuant to the investment contract at a price less than their fair market value,

(C) the Yield on the investment contract is at least equal to the Yield offered under the highest bid received from a noninterested party, and

(D) the Yield on the investment contract is at least equal to the Yield offered on similar obligations under similar investment contracts (e.g., investment contracts entered into by issuers of qualified mortgage bonds).

Article V.

Miscellaneous.

Section 5.1. Appointment Of Trustee As Attorney-In-Fact.

The parties acknowledge and agree that the continued exemption of interest on the Bonds from federal income taxation is dependent upon, among other things, full compliance from and after the date hereof with the provisions and requirements of this Agreement. Reference is hereby made to the provisions of the Indenture which require the Trustee on behalf of the owners of the Bonds to take any and all action which may be required to assure full compliance with the terms and conditions of this Agreement. The City and the Airline each hereby irrevocably designates and appoints the Trustee as its true and lawful attorney, in its name, place and stead, to take all action which may be required to assure such full compliance. It is expressly intended by the City and the Airline that the foregoing power of attorney is irrevocable and is coupled with an interest, and shall survive the sale or assignment of the Project by the Airline.

Section 5.2. Limitation On Liability Of City.

No recourse shall be had for any claim based upon any obligation, covenant or agreement contained herein against the City or any officer, employee or agent of the City, under any rule of law or equity, statutory or constitutional provision or by the enforcement of any penalty or assessment, it being understood that the Airline and the Trustee expressly assume all responsibility for full compliance with the terms and conditions of this Agreement. The Airline agrees to indemnify and hold harmless the City against any losses, claims or liabilities, joint or several, to which the City may become subject under federal or state laws or regulations, or otherwise, insofar as such losses, claims, damages or liabilities arise as a result of, or are based upon, a breach of any obligation, covenant or agreement of the Airline contained herein.

Section 5.3. Responsibility Of Trustee.

By the execution of this Agreement, the Trustee agrees to perform such duties and take such actions as are expressly set forth herein. The Trustee's responsibilities herein shall be supplemental to those set forth in the Indenture, provided that the provisions of the Indenture relating to administration of the Indenture shall apply to this Agreement as if such provisions were fully set forth herein.

Section 5.4. Fees And Expenses Of Accountant; Appointment Of Accountant By City Or Trustee.

The Airline agrees to pay the fees, expenses and charges of any Accountant engaged by the Airline in connection with this Agreement. If the Airline fails to engage an Accountant at the times herein required, the City or the Trustee may engage an Accountant at the cost and expense of the Airline.

Section 5.5. Not A Device.

The Bonds are not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code, or any provisions of the Regulations, by enabling the City or the Airline to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and increasing the burden on the market for tax-exempt obligations.

Section 5.6. City Not Disqualified.

The City has not been disqualified or notified of any disqualification or proposed disqualification of it by the Internal Revenue Service as a bond issuer which may certify bond issues under Section 1.103-13(a)(2)(ii) of the Regulations.

Section 5.7. Hedge Bonds.

The City, based on representations of the Airline, and the Airline reasonably expect that 85% of the spendable proceeds of the Bonds will be spent on the Project within three years of the date of their issuance. For purposes of this paragraph, "spendable proceeds" means the proceeds received upon the sale of the Bonds minus the sum of (a) the costs of issuance paid from the Bond proceeds, (b) the amount deposited in the Debt Service Reserve Fund, (c) $100,000 and (d) the amount deposited in the Capitalized Interest Account. Also, with respect to the Bonds, not more than 50% of the proceeds of the issue were or will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more.

Section 5.8. Amendments.

The parties hereto agree that this Agreement shall be amended from time to time, without the consent of the owners of the Bonds, as shall be necessary, in the opinion of Bond Counsel, to preserve the federal tax exemption of interest on the Bonds. Any such amendment shall be made by a written instrument executed by the City, the Airline and the Trustee and no such amendment shall be made other than in accordance with an opinion of Bond Counsel as described in the preceding sentence.

Section 5.9. Severability.

If any clause, provision or section of this Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof.

Section 5.10. Counterparts.

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

Section 5.11. Notices.

All notices, demands, communications and requests which may or are required to be given hereunder or by any party hereto shall be given and shall have the same effect as provided in the Special Facility Use Agreement for notices given thereunder.

Section 5.12. Successors And Assigns.

The terms, provisions, covenants and conditions of this Agreement shall bind and inure to the benefit of the respective successors and assigns of the City, the Trustee and the Airline.

Section 5.13. Headings.

The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

Section 5.14. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

In Witness Whereof, The parties have caused this Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the day first above written.

City of Chicago

By: ______________________________
City Comptroller

Attest:

____
City Clerk

Compagnie Nationale Air France, a corporation organized and existing under the laws of the Republic of France

By: ______________________________
Its: ___________________________

By: ______________________________
Its: ___________________________

Attest:

____
Its: ___________________________

Independence Bank of Chicago, Trustee

By: ______________________________
Its: ___________________________

Attest:

____
Its: ___________________________

[Exhibit "A" attached to this Arbitrage Compliance Agreement unavailable at time of printing.]

Cargo Building Site Lease

Between

The City Of Chicago

And

Compagnie Nationale Air France.

This Cargo Building Site Lease is made and entered into as of the _______ day of __________________, 19____, by and between the City of Chicago, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution") having a population in excess of 25,000, and a home rule unit under Section 6(a) of Article VII of the Constitution ("City"), and Compagnie Nationale Air France, a corporation organized and existing under and by virtue of the laws of the Republic of France ("Airline").

Witnesseth:

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

Whereas, Airline is or wishes to become engaged in the Air Transportation of Freight and Cargo Business (as hereinafter defined) at the Airport and desires to lease for such purposes certain premises and facilities at the Airport and to obtain certain rights and privileges with respect thereto; and

Whereas, City is willing to lease to Airline such premises and facilities, and to grant to Airline such rights and privileges, upon the terms and conditions hereinafter provided.

Now, Therefore, For and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, the parties hereto covenant and agree as follows:

Article I.

1.01 Lease Of Premises.

City hereby leases to Airline, and Airline hereby leases from City, the land depicted and described on Exhibit A hereto which consists of approximately 369,998 square feet ("Demised Premises"), and any buildings and improvements now or hereafter located thereon, together with the facilities, rights and privileges hereinafter described, subject only to a reservation of easement rights to City for access to public utilities traversing the Demised Premises for the maintenance and replacement thereof, said access by City to occur only after giving Airline reasonable prior notice. City shall use reasonable efforts to deliver possession of the Demised Premises to Airline upon completion of the service road and utilities serving the Demised Premises (projected to be December 1, 1990) or such earlier date as the parties hereto shall agree. If City is unable to deliver possession on or before said date for any reason, the Commissioner of Aviation of the City (the "Commissioner") shall give Airline written notice of the reason for such delay and the estimated revised date of delivery, and City shall not be subject to any liability for delay in giving possession. The date on which City actually delivers possession of the Demised Premises to Airline is referred to herein as the "Delivery Date".

1.02 Early Entry.

After obtaining the prior written approval of the Commissioner in each specific instance, Airline shall have the right to go on the Demised Premises and the Common Areas (as defined in Section 3.02 below) at Airline's sole risk prior to the Delivery Date for the purpose of preparing the Demised Premises for Airline's occupancy and preparing certain portions of the Common Areas for use by Airline and other authorized tenants within the Cargo Areas (as defined in Section 3.02 below). This right shall include the right to construct Improvements and Common Improvements (as such terms are defined in Section 4.01 hereof) for which all approvals, consents and permits required by any appropriate governmental body, agency or division and by the terms of this Lease have been previously obtained. At any time that Airline enters the Demised Premises or the Common Areas prior to the Delivery Date for any purpose whatsoever, all the indemnifications and covenants of Airline contained in this Lease (except the covenant to pay rent) shall apply to such early entry, and Airline acknowledges that any early entry is at the sole risk of Airline and that the Commissioner may refuse to grant or withdraw this right of early entry at any time that the Commissioner, in his sole discretion, determines that such early entry is having or will have an adverse material impact on any construction or other operation of the Airport. Airline further acknowledges that, notwithstanding any amounts spent by Airline on Improvements or Common Improvements, City shall have no liability whatsoever for any delay in the Delivery Date. Airline shall not begin to conduct any operations on the Demised Premises in respect of its Air Transportation of Freight and Cargo Business prior to the Delivery Date unless the prior written consent of the Commissioner has been given.

1.03 Operation Of Cargo Site.

Airline is hereby granted the exclusive use of the Demised Premises, subject to the terms and provisions hereof, to all applicable laws, rules, regulations, codes, ordinances and orders as set forth herein, and to the applicable terms and provisions of the International Terminal Use Agreement (as hereinafter defined) for any and all purposes reasonably necessary or convenient in connection with the conduct by Airline, its sublessees or assigns, of the Air Transportation of Freight and Cargo Business, which shall mean the following uses and activities:

(a) The receiving, delivering, dispatching, processing, handling and storing of air cargo, mail and other property;

(b) The fueling, loading and unloading upon the Demised Premises of property, air cargo, livestock and mail upon or from aircraft by such means as may be necessary or convenient;

(c) The loading, unloading and parking of automobiles and trucks relating to its freight and air cargo operations;

(d) The maintenance and operation of buildings, facilities and equipment, including satellite and telecommunication equipment (after having obtained all required F.A.A. and other permits and approvals) and the carrying on of activities reasonably necessary or convenient in connection with its freight and air cargo operations;

(e) The installation, maintenance and operation of customer relations, security facilities and equipment, crew quarters, training facilities, operations offices, cargo reservation offices and administration offices, lockers, restrooms and related facilities, baggage, cargo and mailhandling and storage facilities and equipment, non-cargo reservation offices and administration offices, so long as such services do not become a primary or significant use but remain incidental to the primary use of the Demised Premises which shall remain the storage, handling and transshipment of air cargo, mail and other property;

(f) The maintenance and operation, by Airline or by an independent contractor, of an employees' cafeteria, the preparation and serving of foods and beverages (including the maintenance and operation of vending machines dispensing such food and beverages, tobacco products and other merchandise) for consumption by Airline's on-site employees, including the imposition of charges for such food and beverages;

(g) The enplaning, deplaning and handling of passengers upon and from aircraft in commercial or retail flights, pursuant to such terms and conditions as agreed between Airline and the Commissioner. There shall be no separate charges or fees due under this Lease for such activity although Airline may be required to pay charges or fees under other agreements such as the International Terminal Use Agreement. All passengers handled pursuant to this provision must be shuttled to a terminal area for processing. In no event shall this provision be interpreted as allowing retail passenger operations other than the incidental handling of passengers in irregular operation situations;

(h) Taxiing, parking, storing, maintaining, conditioning and repairing (to the extent such are considered routine ramp servicing) of aircraft and equipment;

(i) The receiving, dispatching, handling and storing of property for use by Airline in its cargo operations at the Airport; and

(j) The handling of air cargo of other persons engaged in the air transportation business by Airline pursuant to the provisions of Section 1.06 below.

Nothing in this Lease shall be deemed to permit the conduct by Airline of any cargo and freight business other than the operation of an Air Transportation of Freight and Cargo Business, and such business shall not include the transportation of commercial or retail passengers to and from the Demised Premises except as provided above.

Airline may use the Demised Premises for uses other than those specified in this section only upon the written approval of the Commissioner. The grant of such approval shall be in the sole discretion of the Commissioner after due consideration of Airline's request.

It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to Airline to provide the services described in this Section 1.03 to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and City reserves the right to grant to others the privileges and rights to conduct any one or all of the activities described herein.

1.04 Ingress And Egress.

Subject to rules and regulations promulgated by City in accordance with Article VI hereof, Airline, its sublessees or assigns, shall have the right and privilege (i) of ingress to and egress from the Demised Premises for its or their employees, agents, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, and its or their aircraft, equipment, vehicles, machinery and other property; and (ii) to provide transportation of employees of Airline to, from and within the Airport. In addition, any other party engaged in the Air Transportation of Freight and Cargo Business that is handled by Airline at the Demised Premises pursuant to the provisions of Section 1.06 below shall have the right of ingress to and egress from the Demised Premises for the sole purpose of having said party's air cargo handled by Airline. Except as otherwise specifically provided in this Lease, the International Terminal Use Agreement or any other agreement applicable to Airline's operations at the Airport, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents, guests, patrons and invitees, or its or their suppliers of materials and furnishers of service, for (i) such right of ingress and egress, (ii) the privilege of purchasing, selling or using for a purpose herein permitted any materials or services purchased or otherwise obtained by Airline, or its sublessees or assigns, (iii) transporting, loading, unloading or handling persons, property, cargo, or mail in connection with Airline's business of Air Transportation of Freight and Cargo, or its sublessees' or assigns' business, (iv) exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas or sightseeing facilities, (but there shall be no charges or fees assessed against Airline or its employees, agents, representatives or invitees for parking their vehicles on the Demised Premises in connection with Airline's operations on the Demised Premises), or for the use of ground transportation to, from or within the Airport furnished by City or its concessionaires or for the furnishing or sale by City or its concessionaires to the public at the Airport of services, insurance, food and merchandise, or preclude City from imposing any tax, charge, permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder or under the International Use Agreement. Notwithstanding the foregoing, nothing in this Section 1.04 shall be deemed to preclude City from levying a passenger facility charge or other similar taxes or fees at the Airport. Nothing herein shall preclude Airline from contesting such charge or tax if enacted or promulgated by City. Subject to the provisions of Exhibit D attached hereto, Airline shall have the right to purchase or otherwise obtain property and services of any nature from any suppliers of its choice.

Airline shall not block or otherwise obstruct common use Taxiways or access roads with aircraft or groundside vehicles, respectively, at any time or in any manner which will impair or adversely affect the use or operation of said Taxiways or access road areas.

1.05 Sublease, Assignment Or Other Transfer Of Demised Premises And Improvements.

(a) Except as provided in subsections (b) and (c) of this Section 1.05, Airline shall not, without the prior written consent of the Commissioner in each instance, which consent may be withheld in the Commissioner's sole and absolute discretion, (i) assign or transfer, mortgage, pledge, hypothecate or encumber or subject to or permit to exist upon or be subjected to any lien or charge, this Lease or any interest under it; (ii) allow to exist or occur any transfer of or lien upon this Lease or Airline's interest herein by operation of law; (iii) sublet the Demised Premises, the Improvements or any part thereof; or (iv) permit the use or occupancy of the Demised Premises, the Improvements or any part thereof for the purpose not provided for herein or by any one other than Airline and Airline's employees. In addition, there shall not be any further subleasing, assignment or transfer of interest in this Lease, the Demised Premises or the Improvements by any subtenant or assignee approved under the provisions of subsection 1.05(b) below, even though the further subleasing, assignment or transfer may be of the type described in subsection 1.05(b), without the prior written consent of the Commissioner in each instance, which consent may be withheld in the Commissioner's sole and absolute discretion.

(b) Airline may sublet portions of the Demises Premises and the Improvements to the following, provided, however, that any such sublease shall be subject to the prior written approval of the Commissioner, which approval shall not be unreasonably withheld:

(i) Any party for the sole and exclusive purpose of providing handling services at the Demised Premises to Airline or any other occupant of the Demised Premises; or

(ii) Any other party conducting Air Transportation of Freight and Cargo Business at the Demised Premises until Airline has sublet up to 35% of the floor space in the Improvements to such parties (and after five years from the date upon which rent begins accruing pursuant to Section 3.01 hereof, up to only 25% of the floor space in the Improvements to such parties).

(c) Upon the giving of at least thirty (30) days prior written notice to the Commissioner, Airline may sublet any portion of the Demised Premises or the Improvements to any subsidiary or other company engaged in the Air Transportation of Freight and Cargo Business provided Airline has a more than 50% ownership interest of such subsidiary or other company.

(d) For purposes of subsection 1.05(b) herein, Airline agrees that the withholding by the Commissioner of his consent to any proposed assignment or subletting will not be deemed "unreasonable" if (i) the proposed assignee or subtenant is disreputable, noncreditworthy or otherwise not in keeping with the nature or class of tenants in the Cargo Areas, or (ii) the use of the Demised Premises or Improvements by the proposed assignee or subtenant would, in City's reasonable judgment, have a material adverse impact on the operation of the Cargo Areas or the Airport.

(e) In no event shall this Lease or any rights or privileges hereunder be an asset of Airline under any bankruptcy, insolvency or reorganization proceedings.

(f) Consent to any assignment, subletting, use or occupancy, or transfer shall not operate to relieve, release or discharge Airline of or from primary liability under this Lease, and Airline shall remain liable hereunder except to the extent, if any, expressly provided for in such consent. Nor shall consent in any one instance be deemed to be a consent to or relieve Airline from obtaining consent to any subsequent assignment, transfer, lien, charge, subletting, use or occupancy. Any request by Airline or any subtenant or assignee of Airline, for consent to a proposed assignment, sublease or other transfer of interest in this Lease shall be accompanied by reasonably sufficient information about the subtenant, assignee or transferee to enable the Commissioner or City Council of the City, whichever is appropriate, to fully evaluate the proposed transaction. The subtenants, assignees or transferees shall agree to comply with and be bound by all terms, covenants, conditions, provisions and agreements of this Lease to the extent of the space sublet or assigned, and Airline shall deliver to the Commissioner within thirty (30) days after execution, an executed copy of each such sublease or assignment and an agreement of compliance by each such subtenant, assignee or transferee. Airline shall pay all of City's reasonable and otherwise unreimbursed costs, charges and expenses, including attorney's fees, incurred in connection with any assignment, sublease or other transfer requested or made by Airline.

(g) Notwithstanding the requirements contained in this Section 1.05 for obtaining consent, in the case where Airline is proposing to assign or sublease all of the Demised Premises and the Improvements, such assignment or sublease shall be made only after obtaining the written consent of the City Council of the City, which consent may be given or withheld in the sole discretion of the City Council of the City.

(h) In no event shall Airline have the right to make a partial assignment of this Lease or any interest hereunder.

1.06 Handling Agreements.

For so long as Airline actively conducts the Air Transportation of Freight and Cargo Business at the Airport, the Demised Premises and any public areas of the Airport which Airline has a right to use in common with others may also be used by Airline for the handling, by Airline's employees or handling agents retained by Airline, of freight and cargo operations of other persons engaged in the Air Transportation of Freight and Cargo Business to the same extent as they may be used for the operations of Airline; provided, however, that (a) Airline shall remain liable for all of its obligations hereunder, (b) Airline shall give the Commissioner written notice of any such handling arrangement at least thirty (30) days prior to the effective date thereof, and (c) no handling arrangement shall be allowed if the Commissioner objects in writing to it on the basis of material adverse impact to Airport operations within such thirty (30) day period. Commissioner shall have the right to withhold his consent in his sole discretion to any proposed sublease of a portion of the Demised Premises or the Improvements to any party providing handling services from the Demised Premises to others located outside the Demised Premises.

Article II.

2.01 Term.

The term of this Lease shall be for a period commencing on the Delivery Date and terminating on May 11, 2018, unless sooner terminated in accordance with the provisions set forth herein.

Article III.

3.01 Rent.

(a) At such time and in such manner as set forth in subsection (b) Airline shall pay City the following rent:

$.45 per square foot of the Demised Premises per year for 369,998 square feet, of which up to $.10 shall be used for the O. & M. Fund described in Section 3.02 below.

(b) Rent shall begin accruing hereunder on the earliest of (i) the date of substantial completion of the Improvements, (ii) September 1, 1992, or (iii) the date Airline begins the operation of its Air Transportation of Freight and Cargo Business on the Demised Premises with the prior written consent of the Commissioner. From and after the time rent begins so accruing and continuing throughout the term of this Lease, Airline shall pay City, not later than the first business day of each month, one-twelfth of the annual rent as set forth above, for such month. All such rent shall be paid to the Comptroller of the City of Chicago at his office in City Hall, Chicago, Illinois or such other place as may be designated. Rent for the first and last months of this Lease shall be prorated, if necessary.

(c) Rent payable hereunder shall be increased beginning on the January 1 following the fifth anniversary date of the Delivery Date, and on January 1 every five years thereafter by multiplying the $.45 per square foot set forth in Section 3.01(a) above by a fraction, the numerator of which is the Producer Price Index/All Commodities ("P.P.I.") published by the United States Department of Labor, Bureau of Labor Statistics (January, 1982 = 100) for the month of December preceding said January 1, and the denominator of which is the P.P.I. for the month in which the Delivery Date occurred. Each yearly period for which the P.P.I. is being recalculated hereunder is referred to herein as a "Recalculation Period". Upon receipt by Airline of written notice from the Commissioner, rent, as so adjusted, shall be paid in the manner set forth in subparagraph (b) above.

If the manner in which the P.P.I. is determined by the Department of Labor is substantially revised, City shall adjust the revised index which would produce results equivalent, as nearly as possible, to those which would have been obtained if the method of determining the P.P.I. had not been revised. If the P.P.I. is discontinued or otherwise becomes unavailable to the public, City shall substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or department, or if no such index is available, a comparable index published by a recognized financial institution, financial publication, or university.

If the computation of aforesaid increase in rent cannot be completed until after the beginning of a Recalculation Period, Airline shall continue to pay rent at the then current rate until the information for completing the computation is available. Any shortfall in prior rental payments determined by said computation shall be paid to City within sixty (60) days after the Commissioner supplies Airline with said computation.

3.02 Operation And Maintenance Expense.

"Cargo Areas" shall mean the portion of the Airport defined as such on Exhibit E entitled O'Hare Cargo Areas Layout Plan attached hereto and herein incorporated, and the "Common Areas" shall mean all portions of the Cargo Areas not leased exclusively to other parties.

Thirty (30) days prior to the first payment of O. & M. Expenses (as hereinafter defined) due under this Section 3.02 and not later than seventy (70) days prior to the end of each Fiscal Year (as hereinafter defined) thereafter, the Commissioner shall furnish Airline with a projection of the O. & M. Expenses for the Common Areas for the next Fiscal Year. On the first date that rent is due under the provisions of Section 3.01(b) above, and on each date that rent is due thereafter, Airline shall pay to City an amount equal to one-twelfth (1/12) of Airline's pro rata share of the projected O. & M. Expenses for the Fiscal Year in excess of $.10 per square foot of the Demised Premises. Airline's pro rata share shall be a fraction in which the total square footage leased to Airline pursuant to Section 1.01 is the numerator and the total square footage of all land leased in the Cargo Areas is the denominator. Upon request by Airline, City shall provide Airline with the square footage figures for other tenants and total areas of the Cargo Areas.

Not later than the one hundred ninetieth (190th) day of each Fiscal Year, City shall furnish Airline with a revised projection of O. & M. Expenses for the Cargo Areas which shall reflect the most recently available information with regard to the amounts being incurred as O.& M. Expenses in the Cargo Areas. If the revised projection forecasts expenses that would result in an overpayment or underpayment by Airline of five percent (5%) or more of the amount needed for the O. & M. Expenses, payments under this section shall be adjusted to conform to the revised projection. In no event shall the O. & M. Expenses under this section, as so adjusted, be less than zero. Any surplus amounts collected by the City for O. & M. Expenses through the end of a Fiscal Year over the actual O. & M. Expenses incurred during said Fiscal Year shall be carried over to cover O. & M. Expenses for the following Fiscal Year or costs incurred during said Fiscal Year in the repair, replacement or reconstruction of those capital facilities provided to the Common Areas, including, but not limited to, sewer and water line repairs or replacements, Cargo Areas apron and Taxiway repavement or replacement, right-of-way improvements or replacements (including costs of right-of-way expansion or relocation). In the event that at the end of a Fiscal Year City determines that the amounts paid by Airline and other tenants for O. & M. Expenses were not sufficient to cover all O. & M. Expenses incurred during the Fiscal Year, the Commissioner may provide written notice to Airline of its pro rata share of any such deficiency, and Airline shall pay all such deficiency within thirty (30) days of receipt by Airline of such notice.

The City will maintain accurate records allocating O. & M. Expenses for each Fiscal Year. Within six (6) months following the close of each Fiscal Year, City shall furnish Airline with a copy of an annual audit report ("Final Audit") prepared in accordance with generally accepted accounting principles and certified by an independent accountant or outside auditors covering the O. & M. Expenses for such preceding Fiscal Year and setting forth the O. & M. Expenses paid by Airline during the prior Fiscal Year.

The payment by Airline to City, and the acceptance by City from Airline, of any amount hereunder shall not preclude either Airline or City from questioning, within a period of six (6) months from the date of receipt by Airline of the Final Audit, the accuracy of any statement on the basis of which such payment was made, or preclude City from making, within such period, any claim against Airline for any additional amount payable by Airline hereunder.

In the event that the cost to be incurred by the City in the repair, replacement or reconstruction of those capital facilities provided to the Common Areas exceeds $75,000 per project in excess of any insurance proceeds received by the City for such facilities, the City shall not make any expenditures or issue any obligations to finance the cost thereof for any such repair, replacement or reconstruction project unless and until such project and the financing thereof has been approved by a Majority-In-Interest. For purposes of this Lease, a "Majority-In-Interest" shall be deemed the decision or action of tenants leasing a majority of the square footage of land at the Cargo Areas that is leased to tenants having a right to participate in such decision. Upon the request of Airline, City shall provide Airline with the names of all other such tenants and the square footage of land they lease within the Cargo Areas and the total square footage of land leased in the Cargo Areas. At least forty-five (45) days before making any expenditure or issuing any obligations for a capital project requiring approval hereunder, City shall submit a proposal in writing to all tenants at the Cargo Areas having a right to participate in such decision, which proposal shall include an estimate of (a) the cost of such project, (b) the operation and maintenance expenses and debt service, if any, resulting therefrom, (c) the sources and use of funds and the terms of any financing, if any, (d) the construction schedule, descriptions and justification for any such project, and (e) the projected impact on fees and charges, all in sufficient detail to enable the tenants to make an informed judgment on the appropriateness of such project and financing. A project and financing shall be deemed to be approved if a Majority-In-Interest approves it.

3.03 Assessments For Capital Costs.

In the event that at any time the Commissioner determines that there is needed any repair, replacement or reconstruction of capital facilities located in the Common Areas, and if required, said replacement or reconstruction has been approved by a Majority-In-Interest, Airline shall pay, by means of a deficiency assessment, its pro rata share of any costs of performing such replacement or reconstruction at such time as requested by the Commissioner. Airline's pro rata share shall be determined by multiplying the amount of such costs anticipated to be incurred by a fraction with the total square footage leased by the Airline for cargo facilities at the Cargo Areas as the numerator and the total square footage of all land leased in the Cargo Areas as the denominator.

3.04 Taxes.

Airline shall be responsible for payment of all applicable taxes levied against the Demised Premises and Improvements and shall pay such taxes directly to the appropriate taxing agency. Airline shall provide the Commissioner with copies of all notices relating to such taxes within thirty (30) days of request and shall, upon request, provide the Commissioner with a receipt indicating payment of such taxes. Nothing herein shall preclude Airline from contesting such charge or tax including those enacted or promulgated by City.

3.05 Capital Improvement Reimbursement.

Upon full execution of this Lease, Airline shall pay to the City an amount equal to (i) $2.00 per square foot of the Demised Premises as set forth in Section 1.01 above, and (ii) 35% of the cost of installation by City of the service road and utilities described in Section 1.01 above.

3.06 Utilities.

Airline shall be responsible for payment of all cost of water, electricity, natural gas, telephone service and all other utility services for the Demised Premises and Improvements, whether furnished by City or purchased by City on behalf of Airline or furnished by independent contractors.

Article IV.

4.01 Construction Of Improvements.

After securing necessary permits therefor, Airline shall erect and install certain capital improvements ("Common Improvements") to the Common

Areas as more particularly described and at the expense of the parties set forth on Exhibit B attached hereto. In addition, Airline shall erect and install on the Demised Premises after securing necessary permits therefor such other structures, aircraft parking apron, and improvements (together the "Improvements") as are appropriate and necessary for Airline to conduct the Air Transportation of Freight and Cargo Business on the Demised Premises and as more specifically set forth in Exhibit A attached hereto. Design and construction of the Improvements and Common Improvements shall be accomplished in accordance with the provisions of Exhibits C and D attached hereto, and construction thereof shall not be commenced until Airline has obtained all approvals, permits and licenses required by any governmental authority. Airline shall pay its allocable share of the costs of the Common Improvements, as set forth on Exhibit B. In the event City enters into agreements with other parties for the right to use or receive the benefit of any of the Common Improvements, City agrees to use reasonable efforts to obtain an agreement for a pro rata reimbursement for Airline's cost of installing such Common Improvements. In no event, however, shall City be liable to Airline for failure to obtain such an agreement or for any such reimbursement or related costs, nor shall City be obligated to then initiate any legal proceedings on behalf of Airline or any other party for the purpose of collecting any reimbursements due to Airline.

In the event the City does not enter into agreements with other parties for the right to use or receive the benefit of the Common Improvements, City shall not be liable to Airline for any costs of the Common Improvements.

If Airline makes a request to construct connections with any roadway, fueling, water line, sewer line, drainage ditch and utility line serving the Demised Premises, and the plans and specifications for construction of such connections are approved by the City, such approval not to be unreasonably withheld, such connection shall be deemed Improvements for purposes of this Lease.

The failure of Airline to commence construction operations on the Improvements and/or Common Improvements within one year of the Delivery Date and complete such construction within two years of the Delivery Date shall be deemed a material default hereunder by Airline entitling City to all its rights and remedies under Article XI hereof. Said time periods shall be extended for delays that are outside the reasonable control of Airline, provided that Airline gives the City written notice of any such delay within ten (10) days after the commencement of the delay.

4.02 Maintenance And Repair.

(a) Airline shall be responsible for and shall perform or cause to be performed maintenance and repair of the Improvements and shall clean and keep clear of debris the Improvements and the Demised Premises. Airline shall at all times at the Demised Premises:

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

(ii) Maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs, replacements, and painting, such repairs, replacements, and painting by Airline to be of a quality and class not inferior to the standards set forth in the appropriate rules and regulations adopted by the City for the Airport. In addition, for any equipment installed in or on the Demised Premises that is purchased using the proceeds of any special facilities financing sponsored by City, Airline shall repair, maintain and replace such equipment as is necessary to assure that at the end of the term hereof the fair market value of such equipment and its remaining useful life will be consistent with, and sufficient to establish for applicable tax and accounting purposes, ownership of such equipment by City;

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

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

(v) Replace any portion of the structure of any buildings on the Demised Premises that may be destroyed or need replacement for any reason whatsoever.

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

4.03 Title.

Title to the Improvements shall vest in City free and clear of any liens or encumbrances upon certification by an engineer employed by City that construction of the Improvements has been completed or, if this Lease is terminated for any reason prior to completion of the Improvements, title in the Improvements then completed and any materials and equipment then located on the Demised Premises intended to be incorporated into the Improvements shall vest in City at the time of such termination. This Section 4.03 shall not apply to any personal property of Airline located on the Demised Premises.

4.04 Signs.

Any advertising signs installed by Airline or its sublessees or assigns on the Demised Premises shall be limited to those which advertise the Air Transportation of Freight and Cargo Business of the Airline or its sublessees or assigns. The number, general type, size, design and location of such signs shall be subject to all rules and regulations promulgated by the City regarding such signs, as such rules and regulations may be amended.

4.05 Lighting.

Airline shall install, maintain, and operate such obstruction or warning lights on structures located on the Demised Premises as may from time to time be required to conform to standards prescribed by the City and the Federal Aviation Administration or any other governmental agency having jurisdiction over the Demised Premises.

4.06 Covenant Against Liens.

Airline shall keep the Demised Premises and the Improvements and its interest under this Lease free and clear of liens, except as may be approved by the Commissioner, which might arise out of any act by Airline; provided, however, that Airline may in good faith contest the validity of any lien. In the event of the filing of any lien against the Demised Premises as a result of any act or omission of Airline and Airline is contesting the validity of such lien, Airline shall promptly provide City with evidence reasonably satisfactory to City that such contest shall prevent the perfection of any such lien. If City believes that the evidence provided by Airline is insufficient or unsatisfactory, Airline shall escrow with City any amounts necessary to satisfy any contested lien. The execution and delivery by Airline of a Special Facility Use Agreement and related documents and instruments in connection with special facilities financing sponsored by City for the construction of the Improvements and/or Common Improvements shall not constitute a violation of this Section 4.06.

4.07 Performance By City Upon Failure Of Airline To Maintain.

In the event Airline fails to perform any obligation set forth in Section 4.02 above for a period of forty-five (45) days after receipt of written notice from the Commissioner so to do, or if such obligation cannot be performed within forty-five (45) days and Airline has not diligently begun to perform or is not continuing to diligently perform such obligation, City may enter the Demised Premises (without such entering causing or constituting a termination of this Lease or an interference with the possession of said premises by Airline) and do all things necessary to perform such obligation, and Airline shall pay City the reasonable cost and expense of such performance when invoiced in addition to any other amounts payable by Airline hereunder. If Airline's failure to perform any such obligation endangers the safety of the public or of employees of City and the notice to Airline so states, the City may perform such obligations if Airline does not immediately proceed to perform such obligations.

4.08 Inspection.

City, by its representatives, shall have the right at any reasonable time and, upon the giving of reasonable notice (telephone notice being reasonable), to inspect the Demised Premises and Improvements and direct Airline to make ordinary repairs. City representatives shall notify Airline's representative on the Demised Premises at the beginning of any inspections.

4.09 Non-Disturbance.

The operations of Airline and its employees on the Demised Premises shall be conducted in an orderly and proper manner and, given the nature of the Air Transportation of Freight and Cargo Business, shall not otherwise annoy, disturb or be offensive to others at the Airport. Upon request from the Commissioner to Airline to correct the demeanor or conduct of Airline's employees, Airline shall forthwith comply with such request.

4.10 Compliance With Prevailing Wage.

All construction contracts awarded by Airline in connection with the Improvements, Common Improvements and the Demised Premises in the amounts of $1,000.00 or more, or as otherwise required by law ("Construction Contracts") shall contain provisions complying with Chapter 48, Section 39S-2, et seq., Ill. Rev. Stat. 1989, as it may be amended ("Act"), so long as the Act is in effect, in order to ensure that such persons covered by the Act are paid the prevailing wage rate as ascertained by the Illinois Department of Labor ("Department of Labor"). All Construction Contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed in the Construction Contract. If the Department of Labor revises such prevailing wage rates, the revised rates shall apply to any Construction Contracts. Upon request by City, Airline shall provide City with copies of all Construction Contracts to evidence compliance with the provisions of the Act.

Article V.

5.01 Facilities Furnished By City.

City shall deliver the Demised Premises in a rough graded condition in accordance with the specifications of O'Hare Development Project No. 402. City makes no warranty as to the environmental conditions of the Demised Premises or the adequacy of the Demised Premises for Airline's intended purpose other than that the site has been prepared in accordance with O.D.P. No. 402. Airline may use existing taxiways, roadways, water lines, sewer lines and drainage ditches in common with others; provided, however, that Airline shall be required to pay the costs of all utilities including, but not limited to, all charges for direct metered water supplied by City to Airline through any such water line and charges for electricity furnished to the Demised Premises. Other than City's preparation of the site in accordance with O.D.P. No. 402, Airline agrees that it is taking possession of the Demised Premises in its "as is" condition, and Airline shall be responsible for the compliance of the Demised Premises and any conditions thereon with all applicable laws, statutes, codes, ordinances, rules, regulations and orders, whether or not any such condition existed prior to or after the taking of possession by Airline. Airline waives any and all claims which may currently exist or which may arise in the future by contract, common law or statutes currently in effect, as amended or subsequently enacted, and which relate to environmental condition on, under, or near the Demised Premises.

5.02 Maintenance And Operation Of Airport.

City shall operate and maintain in a manner consistent with that of a reasonably prudent operator of an Airport, and keep in good condition and repair, all taxiways, roadways, water lines, sewer lines, drainage ditches, additions, improvements, facilities and equipment now or hereafter provided by City serving the Demised Premises but located outside the Demised Premises, including the removal of snow, ice, vegetation, stones and other foreign matter as reasonably as may be done, from taxiways, connections therefrom, and roadways. This Section 5.02 shall not be construed to alter the fact that the costs and expenses of such operation for the Common Areas shall be borne by Airline and other tenants of the Cargo Areas as previously described in Sections 3.02 and 3.03 above.

5.03 Exclusive Possession.

Subject to the provisions of this Lease, City covenants that so long as Airline performs all of its obligations hereunder, it shall be entitled to and shall have the exclusive possession and enjoyment of the Demised Premises, and the rights and privileges leased to it hereunder.

5.04 Performance By Airline Upon Failure Of City To Maintain And Operate.

In the event City fails to perform any obligation set forth in Section 5.02 above for a period of forty-five (45) days above after receipt of written notice from Airline so to do, or if such obligation cannot be performed within forty-five (45) days and City has not diligently begun to perform or is not continuing to diligently perform such obligation, Airline may perform such obligation of City and do all things necessary to perform such obligation and City shall pay Airline the reasonable cost and expense of such performance but only out of available airport funds, if any, upon the submission of paid receipts by Airline. If City's failure to perform such obligations endangers the safety of the public, of employees of Airline or Airline's Air Transportation of Freight and Cargo Business on the Demised Premises and Airline so states in its notice to City, Airline may perform such obligations if City does not immediately proceed to perform such obligations.

Article VI.

6.01 Rules And Regulations.

(a) Airline shall obey all rules and regulations governing the conduct and operation of the Airport promulgated from time to time by City; provided, however, that such rules and regulations must be neither (i) inconsistent with the exercise by Airline of any right or privilege granted to it hereunder or under any other agreement between Airline and City relating to the Airport, nor (ii) inconsistent with the rules, regulations, or orders of any federal or state agency having jurisdiction over the Airport. Except in cases of emergency, no such rule or regulation shall be applicable to Airline unless it has been given thirty (30) days prior written notice of the adoption thereof.

In addition, Airline shall abide by and follow all restrictions and guidelines set forth in the International Terminal Use Agreement and any other agreement applicable to Airline's operations at the Airport.

(b) Upon written request of Airline, City shall supply Airline with a copy of City's current Airport rules and regulations applicable to Airline.

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

(d) Nothing herein shall be construed to prevent Airline from contesting in good faith any rule or regulation of the Airport, without being in breach thereof, so long as such contest is diligently commenced and prosecuted by Airline.

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

6.02 Compliance With Environmental Requirements.

Airline shall, in conducting any activity or business on the Demised Premises, including environmental response or remedial activities, comply with all Environmental Requirements (as defined in Section 10.03(a)(v) below), including but not limited to Environmental Requirements regarding the storage, use, and disposal of Hazardous Materials or Special Wastes and regarding releases or threatened releases of Hazardous Materials or Special Wastes to the environment.

6.03 Review Of Environmental Documents.

Airline, at the request of City, shall make available for inspection and copying upon reasonable notice and at reasonable times, any or all of the documents and materials Airline has prepared pursuant to any Environmental Requirement or submitted to any governmental regulatory agency. If there is an Environmental Requirement to file any notice or report of a release or threatened release of Hazardous Materials or Special Wastes on, under or about the Demised Premises, Airline shall provide a copy of such report or notice to City, and to the extent practicable, shall receive the approval of City prior to submitting such notice or report to the appropriate governmental agency.

6.04 Access For Environmental Inspection.

City shall have reasonable access to the Demised Premises and Improvements to inspect the same to confirm that Airline is using the Demised Premises in accordance with Environmental Requirements. Airline, at the request of City and at Airline's expense, shall conduct such testing and analysis as is necessary to ascertain whether Airline is using the Demised Premises in compliance with all Environmental Requirements. Any such tests shall be conducted by qualified independent experts chosen by Airline and subject to City's reasonable approval. Copies of reports from any such testing shall be provided to City.

6.05 Environmental Noncompliance.

If Airline fails to comply with any applicable Environmental Requirements, City, in addition to its rights and remedies provided in Section 11.01 below, may enter the Demised Premises and Improvements and take necessary measures to insure compliance with Environmental Requirements, all at Airline's expense.

6.06 Duty To Notify City.

In the event of a release or threatened release of Hazardous Materials or Special Wastes to the environment relating to or arising out of Airline's use or occupancy of the Demised Premises or in the event any claim, demand, action or notice is made against Airline regarding Airline's failure or alleged failure to comply with any Environmental Requirements, Airline immediately shall notify City in writing and shall provide City with copies of any written claims, demands, notices, or actions so made.

6.07 Environmental Remediation.

Preliminary investigation of the Demised Premises indicates the potential presence of Hazardous Materials and Special Wastes and other environmental contaminants on or under the Demised Premises. Airline shall undertake such steps to remedy and remove any such Hazardous Materials and Special Wastes and any other environmental contamination as is presently or subsequently discovered on or under the Demised Premises, as are necessary to protect the public health and safety and the environment from actual or potential harm and to bring the Demised

Premises into compliance with all Environmental Requirements. Such work shall be performed at Airline's sole expense after Airline submits to City a written plan for completing such work and receives the prior written approval of City, and City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The cost of such review and inspection shall be paid by Airline. Specific cleanup levels for any environmental remediation work shall be designed to meet applicable requirements under local, state and federal statutes, regulations, and guidelines. In the event that the City is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Demised Premises or Improvements thereon, Airline shall defend the City and indemnify the City for any costs, damages or fines that might be found against the City.

Article VII.

7.01 Exercise By City Of Governmental Functions.

Nothing contained herein shall impair the right of City, in the exercise of its governmental functions, to require Airline to pay any tax or inspection fees or to procure necessary permits or licenses provided such requirement is not inconsistent with the rights and privileges granted hereunder or under the International Use Agreement. Nothing herein shall be construed to prevent Airline from contesting in good faith any tax or inspection fee so long as such contest is diligently commenced and prosecuted by Airline.

Article VIII.

8.01 Insurance.

Airline shall maintain, or cause to be maintained, at its own expense, during the term of this Lease, insurance with respect to its property and business conducted at the Demised Premises against such casualties and contingencies (including but not limited to liability) as is described in this Article VIII, and such additional insurance in such amounts as is customary in the case of similarly situated persons in the air transportation business.

If pursuant to any other agreement between Airline and City, Airline is complying with requirements identical with those of this section, such compliance shall also serve as compliance with the requirements of this section.

8.02 Required Insurance Policies.

Airline shall maintain or cause to be maintained at Airline's expense during the term of this Lease the types of insurance policies specified below with insurance companies reasonably acceptable to the City, covering all operations under this Lease, including construction whether performed by Airline or by contractors of Airline.

The kinds and amounts of insurance required are as follows:

1) Employer's Liability, Worker's Compensation And Occupational Disease Insurance.

Employer's Liability, Worker's Compensation and Occupational Disease Insurance shall be maintained by Airline for Airline's employees in amounts as required by the statutes, rules or regulations of the State of Illinois, and Airline shall require any of its subleasees, assignees, contractors or other parties operating on or from the Demised Premises to maintain comparable coverage.

2) Commercial General Liability Insurance (Primary And Umbrella).

Commercial General Liability Insurance (primary and umbrella) or equivalent with limits of not less than $25,000,000 combined single limit, for bodily injury, property damage liability and personal injury per occurrence shall be maintained by Airline. Products/completed operations, independent contractors, explosion, collapse, underground, pollution (to the extent commercially available for a similar risk) and contractual liability coverages are to be included. The City is to be named as an additional insured.

3) Automobile Liability Insurance.

When any motor vehicles are used in connection with the work to be performed, Airline or its contractors shall maintain Automobile Liability Insurance with limits of not less than $2,000,000 per occurrence, combined single limit, for bodily injury and property damage. The City is to be named as an additional insured.

4) All Risk Builders Risk Insurance.

When Airline undertakes any construction, including improvements, betterments, and/or repairs on the Demised Premises, Airline shall maintain or cause to be maintained adequate All Risk Builders Risk Insurance to cover material, equipment and supplies at job site and in transit until such time that City, in its discretion, deems such coverage unnecessary for all construction operations under this Lease or due to the commencement of coverage under paragraph 5 below whether performed by Airline or contractors of Airline. City shall give Airline 10 days written notice that Airline may terminate a portion of the coverage required by this paragraph. Such coverage shall be written to include coverage for the City as its interests may appear.

5) All Risk Property Insurance.

After completion of any construction on the Demised Premises, including improvements and betterments, Airline shall maintain All Risk Property Insurance in the amount of the full replacement value of the Demised Premises. The City is to be named as an additional insured and proceeds of insurance shall be payable to City and Airline based on their respective ownership interests as they may appear.

6) Professional Liability.

When any architects, engineers, or consulting firms perform work in connection with the Demised Premises, Airline shall maintain or cause to be maintained Professional Liability Insurance with limits of $1,000,000. The policy shall include prior acts coverage and/or extended reporting period.

7) Valuable Papers Insurance.

When any plans, designs, drawings, specifications and documents are produced or used under the terms of this Lease, valuable papers insurance in the amount of $50,000 shall be obtained in an amount to insure against any loss whatsoever, and shall have limits sufficient to pay for the recreation and reconstruction of such records.

Failure to carry or keep such insurance in force as provided herein shall constitute a material breach of this Lease, and City maintains the right in addition to any and all other rights and remedies provided in Sections 4.01 and 11.01(a)(ii) and elsewhere herein to stop any work until such breach is cured and proper evidence thereof satisfactory to City is provided by Airline.

The insurance shall provide for 60 days prior written notice to be given to City in the event coverage is substantially changed, cancelled, or non-renewed.

Airline shall require all contractors to carry the insurance required herein. Airline may, at its option, provide the coverage for any or all such contractors. If Airline determines to provide coverage for its contractors, the evidence of insurance submitted to City by Airline shall so stipulate.

The Commissioner maintains the right (for himself and/or his designee) to modify, delete, alter or change the requirements of this Article 8 to address those risks that would be insured by prudent airport operators of a business similar to that operated on the Demised Premises by Airline.

Airline expressly understands and agrees that any insurance protection furnished by Airline hereunder shall in no way limit Airline's responsibility to indemnify and hold City harmless under the provisions of this Lease and further understands and agrees that any insurance obtained by City shall be in addition to and not be applied toward the insurance required of Airline under this Lease and further understands and agrees that any insurance obtained by City shall be in addition to and not be applied toward the insurance required of Airline under this Lease. Further, Airline, on behalf of itself, its contractors, subcontractors and insurers, hereby waives any and all rights of subrogation against the City, including its appointed and elected officials, representatives, agents, and employees, for any loss that is or should have been covered by insurance as required under this Lease.

8.03 Loss Adjustment Procedures.

(a) If any buildings or improvements constructed on the Demised Premises are damaged or destroyed, Airline shall immediately after such damage or destruction cause to be prepared plans, specifications and estimates of cost for repairing, replacing or reconstructing the damaged or destroyed property in accordance with the original design, subject to such modifications thereof as may be approved by Airline and the Commissioner or his designee. The Commissioner or his designee shall be entitled to participate in the preparation of such plans and specifications, and must approve them prior to the commencement of reconstruction; provided, however, that such approval shall not be unreasonably withheld. As soon as possible after such damage or destruction, Airline shall reconstruct and replace all damaged or destroyed improvements in accordance with the approved plans and specifications and shall have the ability to use insurance proceeds available from the policies carried for such purposes after deduction for any expenses of City in collecting and/or administering the disbursement of such insurance proceeds. Any funds needed to pay for such reconstruction in excess of available insurance proceeds shall be furnished by Airline.

(b) Subject to the provisions of Subsection 8.03(a) above, any unused balance of any insurance proceeds paid on the occasion of damage or destruction of any buildings or improvements on the Demised Premises, after all repairs, demolitions or removals are completed as required by this Lease, shall be paid to City.

8.04 Proof Of Insurance.

Airline shall provide the Commissioner or his designee with certificates of insurance evidencing the coverage required by this Article VIII, and all insurance provided for under this Lease shall be effected under valid enforceable policies issued by insurers of recognized responsibility. All such policies shall insure City and Airline in accordance with their respective interests as set forth herein. Said certificates of insurance shall be delivered to the Commissioner or his designee. Airline shall notify Commissioner or his designee of any change in any policies of insurance maintained by Airline pursuant to this Lease, and Airline shall furnish Commissioner a revised certificate of insurance showing that such changes in policy are consistent with the requirements of this Lease. With respect to renewals, Airline shall provide Commissioner or his designee with details of renewal coverage, including renewal certificates of insurance or similar evidence, on or prior to the expiration of any coverage.

Article IX.

9.01 Abatement In The Event Of Closing.

In the event that for a period of time in excess of five (5) consecutive days the Airport is closed by any order or direction of City or any other governmental authority or agency, or by any order or direction of any court of competent jurisdiction not stayed by way of appeal or otherwise, then the rent payable by Airline shall abate for the period of such closing.

9.02 Abatement On Account Of Casualty.

(a) If, due to damage or destruction by fire or other casualty due to the fault of City, any of the facilities to be furnished by City outside the Demised Premises as provided in Section 5.01 hereof are rendered unusable to such an extent as to substantially impair the ability of Airline to conduct normal operations on the Demised Premises, then the rent payable hereunder by Airline for the Demised Premises shall be paid up to the date of such damage or destruction. Such rent shall thereafter abate in an amount directly proportional to the extent Airline's ability to conduct normal operations on the Demised Premises is impaired by such damage or destruction unless and until City thereafter furnishes adequate temporary substitute facilities and expeditiously restores the facilities so damaged or destroyed; provided, however, that if City fails to repair such damage or destruction so that Airline's ability to conduct normal operations on the Demised Premises is substantially impaired for more than ninety (90) days, then Airline at its option may, by giving to City at least thirty (30) days prior notice, terminate this Lease. City shall have no liability to Airline for City's failure to furnish such temporary substitute facilities or for City's failure expeditiously to restore such facilities.

(b) Except as otherwise expressly set forth herein, Airline shall have no right to rent abatement or set-off of any kind.

(c) In the event rent is ever abated pursuant to this Article IX, such abatement shall not apply to Airline's obligation to pay O. & M. Expenses.

Article X.

10.01 Regulating The Airport.

(a) Except as otherwise provided herein, City reserves the right to regulate, police, and further develop, improve, reconstruct, modify, or otherwise alter the Airport in City's sole discretion.

(b) Upon a determination by City, in its sole discretion after considering the technical and regulatory alternatives and evaluating reasonable suggestions made by Airline, that the Demised Premises are necessary for a public use, as the term "public use" is interpreted under Chapter 110, Article VII of Illinois Revised Statutes, which may include resolution of a sight line problem at the Airport, and City, in its sole discretion, determines that such public use requires the demolition, removal, or relocation of the Improvements, City may, in its sole discretion, require Airline to vacate the Demised Premises within eighteen months of written notice from City of such determination ("Notice Date"). Further, City may, at its election, require Airline to accept in lieu of any and all other remedies, either of the following alternatives:

(1) a combination of replacement land at the Airport ("Replacement Land") and a payment equal to either (i) the Original Cost (as defined below) of any Improvements for which the Notice Date occurs within the first five (5) years of the date of substantial completion of said Improvements, or (ii) the unamortized value of any Improvements for which the Notice Date occurs after said five (5) year period. The "unamortized value of the Improvements" shall be determined by deducting depreciation from the Original Cost of any Improvements, the Original Cost being determined as described below as of the end of the fifth year after substantial completion of the Improvements, and said depreciation shall be computed on a straight line basis beginning five (5) years after the substantial completion of the Improvements and extending over the lesser of the useful life of the Improvements or the period of the term of this Lease during which the Improvements would have been in place. The "Original Cost" of any Improvements for purposes of this Subsection 10.01 shall be the actual, out of pocket amounts expended by Airline for construction of said Improvements increased by the same percentage that construction costs in the Chicago metropolitan area increase as reflected in the index of construction costs for the Chicago metropolitan area published by the Engineering News Record. The unamortized value of the Improvements shall be calculated as of the date the Airline vacates the Demised Premises and an example of such a calculation is appended hereto as Appendix I; or

(2) an alternative facility which is comparable to the Improvements on the Demised Premises and from which Airline can effectively operate its Air Transportation of Freight and Cargo Business in a manner reasonably similar to the manner in which it was operated prior to the vacation of the Demised Premises ("Comparable Facility").

Any reasonable cost of preparing or converting the Comparable Facility for Airline's use, or providing common improvements on Replacement Land shall be paid by City.

Notwithstanding the right of City to require Airline to accept either of the remedies described in (1) or (2) above, City shall, in its sole and absolute discretion, also have the right to exercise its rights of eminent domain, as provided under Chapter 110, Article VII of Illinois Revised Statutes, in lieu of either of the above-described remedies.

If City elects to make a Comparable Facility available to Airline, the Comparable Facility shall be made available to Airline within fourteen (14) months of the Notice Date. Rent on any such Comparable Facility shall be equal to the aggregate rent (including but not limited to payments made by Airline pursuant to Section 3.02 herein) payable by Airline pursuant to this Lease except to the extent the Comparable Facility is larger than the Demised Premises at the request of Airline, in which case rent on the Comparable Facility shall be greater. If City chooses to relocate Airline to a Comparable Facility, then City shall reimburse Airline only for the reasonable out-of-pocket moving costs incurred by Airline to relocate its personal property and movable equipment.

If City elects to make Replacement Land available to Airline, the Replacement Land shall be made available to Airline within six (6) months of the Notice Date. The date City makes Replacement Land available to Airline shall be the "Land Availability Date". Rent on any Replacement Land shall be equal to the per square foot rate effective on the Land Availability Date pursuant to Section 3.01(a) and Section 3.01(c) hereof for an amount of Replacement Land up to the area of land then being leased by Airline hereunder, and to the extent the site of the Replacement Land is larger than the area of land then being leased by Airline, rent on the portion of the Replacement Land in excess of the area of land then being leased by Airline hereunder shall be an amount equal to the then market rate of rent for such land as determined by City. Airline shall commence construction of a new facility on Replacement Land within four months of the Land Availability Date and substantially complete all construction of such facility within twenty-four (24) months of the Land Availability Date. The Commissioner, in his sole discretion, may grant Airline an extension to complete construction of a new facility and may also, in his sole discretion, allow Airline to continue operations at the Demised Premises for a reasonable period beyond the eighteen month termination period set forth herein.

Nothing herein shall be construed as imposing upon Airline a "substantial restriction of Airline's operations at the Airport". No action by City under this Section 10.01 shall be grounds for Airline to proceed under Article XIII herein or otherwise to terminate this Lease.

10.02 Release Of City.

(a) City shall not be liable to Airline, or to Airline's agents, representatives, contractors and subcontractors or employees, for any injury to, or death of, any of them or of any other person or for any damage to any of Airline's property or loss of revenue caused by any third person in the maintenance, construction, or operation of facilities at the Airport, or caused by City or any third person using the Airport or navigating any aircraft on or over the Airport, except where there has been a final judicial determination that any injury, death, or damage is due to the negligence or willful misconduct of the City, and only to the extent Airline or any of the above described parties is not covered by appropriate insurance.

(b) City shall not be liable to Airline for damage to property of Airline or any loss of revenues to Airline resulting from City's acts or omissions in the maintenance and operation of the Airport except where there has been a final judicial determination that such damage or loss has been caused by the negligence or willful misconduct of the City, and only to the extent Airline or any of the above described parties is not covered by appropriate insurance.

10.03 Indemnity.

(a) Airline shall pay and shall protect, defend, indemnify and save City, its agents, representatives and employees, harmless to the extent permitted by law from and against any and all liabilities, losses, damages, costs and expenses (including reasonable attorney's fees and expenses), causes of action, suits, claims, demands, judgments, awards and settlements including, without limitation, payments of claims of liability resulting from any injury to or death of any person or damage to property (except to the extent caused by the negligence or willful misconduct of City, its agents, representatives or employees as determined by a final judicial proceeding), and costs of acquisition of real property as a result of claims described in subsection (i) below, in each case, only to the extent City is not reimbursed out of insurance proceeds arising out of the following:

(i) Suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, or similar suits based upon the use of the Airport for the landing and taking-off of aircraft;

(ii) Airline's use or occupancy of the Airport not covered in subsection (a)(i) of this Section 10.03 or non-use (if such non-use is contrary to Airline's obligations hereunder) of any premises demised to Airline hereunder;

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

(iv) The violation by Airline of any agreement, warranty, covenant or condition of this Lease, of any other contract, agreement or restriction relating to Airline's operations at the Airport, or of any law, ordinance, regulation or court order affecting the Airport;

(v) The failure or alleged failure of Airline, its successors or assigns, to comply with local, state, or federal environmental rules, regulations, statutes, laws, or orders (collectively referred to as "Environmental Requirements"), or which is due, in whole or part, to any releases or threatened releases of Hazardous Materials or Special Materials on, about or under the Demised Premises.

(b) (i) To the extent permitted by law, Airline shall be responsible for (a) all physical injuries (including death) to persons (including, but not limited to, Airline's and City's employees, contractors and subcontractors, agents, and representatives) or (b) damage to property (including, but not limited to, property of the City), either of which may occur on account of or in connection with the performance of any work on, to or for the benefit of the Demised Premises excepting therefrom that portion, if any, of bodily injuries and property damage caused by the negligence or willful misconduct of the City, its contractors, agents, employees and other representatives as determined in a final judicial proceeding. Airline's responsibility hereunder shall include, but not be limited to, the payment of Worker's Compensation under the Worker's Compensation Law of the State of Illinois, and Airline specifically covenants to reimburse the City for all payments of Worker's Compensation which the City shall be required to make to any employee who shall have sustained injuries on account of or in connection with any work performed pursuant to this Lease or with respect to the Demised Premises, excepting therefrom that portion, if any, of bodily injuries and property damage caused by or resulting from the negligence of the City as determined in a final judicial proceeding.

(ii) During any construction by Airline with respect to the Demised Premises or the Common Areas, Airline shall be solely responsible for the support, maintenance, safety and protection of the facilities of the City, and for the safety and protection of all persons or employees and of all property therein.

(c) Airline agrees to indemnify and hold the City harmless to the extent permitted by law against liability for any and all injuries and damages to the property of the City arising directly from, or in any way occurring in connection with any work done by or at the direction of Airline for the benefit of the Demised Premises, whether caused by the negligence or willful misconduct of Airline, its employees, agents, contractors, subcontractors or otherwise.

(d) The Commissioner shall promptly notify Airline in writing of any claim or action brought against City in respect of which indemnity may be sought by City against Airline hereunder, setting forth the particulars of such claim or action and shall furnish Airline with a copy of all suit papers and legal process. Airline shall assume and have full responsibility for the defense or settlement thereof, including the employment of counsel and the payment of all expenses and all settlements or judgments. City shall cooperate fully with Airline in the defense of any case hereunder, and may employ separate counsel at a reasonable cost in any such action and participate in the defense thereof.

10.04 Tort Immunity.

Notwithstanding any reference herein to Airline's release and indemnification being ineffective in certain instances where City, its agents, employees or representatives have been negligent, nothing herein shall be construed to make the City liable in any case or instance where the City would otherwise be immune from any tort liability because of its being a municipal corporation.

Article XI.

11.01 City's Rights And Remedies.

All rights and remedies of City provided for in this Lease shall be cumulative and none shall exclude any other right or remedy allowed by law or equity.

(a) If default shall be made in the prompt payment of rent or any other amount due hereunder and such default shall continue for ten (10) or more business days after the same becomes due, or if default shall be made in the observance or performance of any covenants or agreements in this Lease which Airline is required to observe and perform and such default shall continue for thirty (30) days after written notice to Airline unless such default cannot be cured within said thirty (30) day period, in which case Airline shall have such period of time as is required to diligently proceed to cure the default, or if a default involves a hazardous condition and Airline does not diligently proceed to cure such default immediately upon written notice to Airline, or if the interest of Airline in this Lease shall be levied or under execution or attached by process of law, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Airline, or if any involuntary petition in bankruptcy shall be filed against Airline under any federal or state bankruptcy or insolvency act and shall not have been dismissed within thirty (30) days from the filing thereof, or if a receiver shall be appointed for Airline or any of the property of Airline by any court and such receiver shall not have been dismissed within sixty (60) days from the date of his appointment, or if Airline shall make an assignment for the benefit of creditors of all or substantially all of its assets, or if Airline shall admit in writing Airline's inability to meet its debts as they mature, or if Airline shall abandon or vacate the Demised Premises or Common Areas during the term, then and in any such event City if it so elects, may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon at its option may, with or without notice or demand of any kind to Airline or any other person, have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

(i) City may terminate this Lease and the term created hereby, in which event all rent provided to be paid by Airline for the balance of the original term shall immediately become due and payable and City may forthwith repossess the Demised Premises and any of Airline's materials or property located on the Common Areas.

(ii) City may terminate Airline's right of possession and may repossess the Demised Premises and any of Airline's materials or property located on the Common Areas by forcible entry and detainer suit, by taking peaceful possession or otherwise without terminating this Lease or releasing Airline, in whole or in part, from Airline's obligation to pay rent hereunder for the full term.

(b) All property removed from the Demised Premises or Common Areas by City pursuant to any provisions of this Lease or by law may be handled, removed or stored in a commercial warehouse or otherwise by the City at the risk, cost and expense of Airline, and City shall in no event be responsible for the value, preservation or safekeeping thereof. Airline shall pay City, upon demand, any and all expenses incurred by City in such removal and storage charges against such property so long as the same shall be in City's possession or under City's control. All property not removed from the Demised Premises or Common Areas or retaken from storage by Airline within sixty (60) days after the end of the term, however terminated, shall be conclusively deemed to have been forever abandoned by Airline.

After taking possession of the Demised Premises pursuant hereto, City shall have the right to remove all or part of any structures or Improvements located on the Demised Premises or Common Areas without any prior notice to Airline, and City shall have no liability or responsibility for any property of Airline remaining in, on or about the Demised Premises or Common Areas in the event of such removal.

(c) Airline shall pay all of City's costs, charges and expenses, including court costs and attorneys' fees, incurred in enforcing Airline's obligations under this Lease or incurred by City in any litigation, negotiation or transactions in which Airline causes City, without City's fault, to become involved or concerned.

(d) If Airline violates any of the terms and provisions of this Lease, or defaults in any of its obligations hereunder, other than the payment of rent or other sums payable hereunder, such violations may be restrained or such obligation enforced by injunction.

(e) Notwithstanding anything to the contrary herein, this Lease shall not terminate for any event stated above to the extent that Airline is replaced as a tenant under the provisions of Section 12.01(c) of this Lease and such new tenant diligently proceeds to cure the default then occurring hereunder.

Article XII.

12.01 No Waiver.

(a) No waiver by City or Airline of default of any of the terms, covenants or conditions hereof to be performed, kept and observed by City or Airline shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

(b) The acceptance of rent, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach hereof by Airline, or the giving or making of any notice or demand, whether according to any statutory provisions or not, or any act or series of acts except an express written waiver, shall not be construed as a waiver of any right hereby given City, or as an election not to proceed under the provisions of this Lease.

(c) Notwithstanding Sections 12.01(a) and (b) above, in the event Airline (or a third party operating on behalf of Airline) finances the construction of the Improvements and/or Common Improvements through the use of special facility revenue bonds, and Airline is in default pursuant to Section 11.01 of this Lease, a trustee in connection with the financing of the Improvements and/or Common Improvements, at Airline's request, may cure such default within the time periods provided herein and replace Airline with another tenant or tenants, subject to prior written approval of the Commissioner, which approval shall be subject to the same standards set forth in Section 1.05 above. The rent payable by such tenant(s) shall be applied first to satisfy Airline's obligation under this Lease and the excess, if any, shall be payable to the holders of such debt.

Article XIII.

13.01 Termination By Airline.

Airline may terminate this Lease and any or all of its obligations hereunder if (i) at such time Airline is not in default in the payment of any amount due from it to City, or in default of any other material obligation hereunder, (ii) there are no other restrictions on Airline's ability to terminate this Lease contained herein or in any other document or instrument related to the Demised Premises or the operation thereof, and (iii) any one or more of the following events has occurred:

(1) The failure or refusal of the Federal Aviation Administration to approve operations into and from the Airport for those types of aircraft operated by Airline in its Air Transportation of Freight and Cargo Business and continuance thereof for a period of at least sixty (60) days, so long as such failure or refusal is not due to any fault of Airline.

(2) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially adversely affect Airline's use of the Airport in its conduct of the Air Transportation of Freight and Cargo Business and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days.

(3) The issuance of any order, rule or regulation or the taking of any action by the Federal Aviation Administration or other government authority substantially affecting for a period of at least sixty (60) days Airline's use of the Cargo Areas in its conduct of the Air Transportation of Freight and Cargo Business, provided, however, that none of the foregoing is due to any fault of Airline.

(4) The default by City in the performance of any covenant or agreement required to be performed by City herein that substantially adversely affects Airline's use of the Demised Premises, and the failure of City to remedy such default, or to take prompt action to remedy such default, within a period of sixty (60) days after receipt from Airline of notice to remedy the same. In this event, Airline shall also have all other rights and remedies allowed by law or equity.

(5) The substantial restriction of City's operation of the Airport by action of any governmental agency or department, and continuance thereof for a period of not less than sixty (60) days, provided such restriction substantially adversely affects Airline's Air Transportation of Freight and Cargo Business at the Airport.

(6) The substantial restriction of Airline's operation at the Airport by action of any governmental agency or department, and the continuance thereof for a period of not less than sixty (60) days, provided such restriction substantially adversely affects Airline's operations at the Airport.

No waiver by Airline of default of any of the terms, covenants or conditions hereof, or of any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by City shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

Any termination by Airline pursuant to this Section 13.01 (1), (2), (3), (5), or (6) shall not occur unless the Airline serves upon the Commissioner and Corporation Counsel notice of said termination, or intent to terminate thirty (30) days prior to such termination together with a statement of how the operations of the Airline have been substantially affected. In the event of a termination by Airline pursuant to subsection (1), (2), (3), (5), or (6) of this Section 13.01, City shall have no liability or obligation whatsoever to Airline on account of such termination.

Article XIV.

14.01 Right Of Airline To Remove Property.

Airline shall be entitled during the term of this Lease, and for a reasonable time (not exceeding sixty (60) days) after its termination, to remove from the Demised Premises all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it pursuant to this Lease, subject to any valid lien City may have thereon for unpaid rent or other amounts payable by Airline to City hereunder or under any other agreement between City and Airline relating to the Airport or any part thereof; provided, however, that Airline shall promptly repair all damage resulting from such removal, reasonable wear and tear excepted.

Article XV.

15.01 Equal Opportunity.

Airline agrees that in performing under this Lease it shall neither discriminate against any worker, employee or applicant, or any member of the public, because of race, creed, color, religion, age, sex, national origin, handicap or disability, ancestry, marital status, parental status, sexual orientation, source of income, or military discharge. Airline agrees that in performing under this Lease it will comply with all applicable federal, state and local laws which prohibit discrimination, including but not limited to, the aforementioned forms of discrimination.

Airline further agrees that it will not commit an unfair employment practice.

Airline will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex, national origin, handicap or disability, ancestry, marital status, parental status, sexual orientation, source of income, or military discharge. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, compensation, and selection for training, including apprenticeship.

Airline agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 15.01. Airline further agrees that this clause will be incorporated in all contracts entered into with any suppliers of materials or furnishers of services, contractors and subcontractors, and all labor organizations, which furnish skilled, unskilled and craft union skilled labor, or which may perform any such labor or services in connection with the Demised Premises or the construction of Improvements or Common Improvements.

Attention is called to Executive Order 11246, 3 C.F.R. 339 (1964 -- 1965), as modified by Executive Order 11375, 3 C.F.R. 320 (1967); The Civil Rights Act, 42 U.S.C. 2000d, (1964); The Age Discrimination Act, 42 U.S.C. 1601 -- 1602 inclusive, (1975); Discrimination In Public Contract Acts, Ill. Rev. Stat. Ch. 29, §§ 2-105, 5-101-5-103, inclusive (1987); Municipal Code of Chicago Ch. 199 "Human Rights", Council Journal of Proceedings, pages 23526 -- 23536 (December 21, 1988); Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor 41 C.F.R. 60-1 (July 1, 1988).

To demonstrate compliance, Airline will furnish, and will obligate its contractors and subcontractors to furnish, such reports and information as is reasonably requested by City.

15.02 Nondiscrimination.

This Lease involves the use of or access to space on, over, or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public.

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

15.03 Prohibition Against Exclusive Rights.

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

15.04 Nondiscrimination In Furnishing Services.

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

15.05 Affirmative Action Program And M.B.E./W.B.E. Requirements.

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

Article XVI.

16.01 City Books And Records.

City shall follow such procedures and keep and maintain such books, records and accounts as may be necessary or appropriate under the provisions of this Lease. Airline shall have the right at any reasonable time and at its own expense to examine and make copies of extracts from those books and records that pertain to expenditures for which Airline must reimburse or pay the City under this Lease.

Article XVII.

17.01 Definitions.

The following words, terms and phrases, shall, for purposes of this agreement, have the following meaning:

(1) "Abandonment" or "Abandons" means the cessation of the use of the Demised Premises by the Airline of all of the uses permitted under this Lease in Section 1.03, other than for reasons of strikes or force majeure, for a period of sixty (60) days.

(2) "Airline" means, at any time, the lessee of the Demised Premises referenced in Section 1.01, or its successors, sublessees or assigns.

(3) "Air Transportation of Freight and Cargo Business" means the carriage by aircraft of property, cargo or mail as an international carrier for compensation or hire in commerce within the limitations or use of the Demised Premises as set forth in Section 1.03.

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

(5) "Airport Use Agreement" means the 1985 Amended and Restated Airport Use Agreement and Terminal Facilities Lease.

(6) "City" means the City of Chicago, a municipal corporation, a home rule unit existing under the laws of the State of Illinois.

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

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

(9) "Hazardous Materials" means asbestos and asbestos-containing materials, polychlorinated biphenyls (PCBs), oil or any other petroleum products, natural gas, source material, special nuclear material, and byproduct materials regulated under the Atomic Energy Act (42 U.S.C. §2011, et seq.), pesticides regulated under the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. §136, et seq.), and any hazardous waste, toxic substance or related material, including any substance defined or treated as a "hazardous substance", "hazardous waste", or "toxic substance" (or comparable term) in the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901, et seq.), the Toxic Substances Control Act (15 U.S.C. §2601, et seq.), the Illinois Environmental Protection Act (Ill. Rev. Stat., Ch. 111-1/2, Sec. 1001, et seq.) and any rules or regulations promulgated pursuant to such statutes or any other applicable federal or state statute, rule or regulation or county or municipal law, ordinance, rule or regulation, as amended in each case.

(10) "Lease" means this Cargo Building Site Lease, as hereafter amended or supplemented from time to time in accordance with its terms.

(11) "Special Wastes" refers to those substances as defined in Section 1003.45, Ch. 111-1/2 of the Illinois Environmental Protection Act, and as further referred to in Section 809.103 of 35 Illinois Admin. Code, Subtitle G, Ch. 1.

(12) "International Terminal Use Agreement" means the International Terminal Use Agreement and Facilities Lease that is at any time in effect for tenants of the International Terminal at Chicago-O'Hare International Airport.

(13) "Operational and Maintenance Expenses" (sometimes abbreviated as "O. & M. Expenses") means for the Cargo Areas, for any Fiscal Year, a fair allocation of total operations and maintenance expenses incurred by the City in operating and maintaining the Common Areas during such Fiscal Year, either directly or indirectly, by allocation to the Cargo Areas by City, including without limitation:

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

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

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

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

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

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

(g) Costs incurred in collecting and attempting to collect any sums due City in connection with the operation of the Cargo Areas;

(h) Costs of advertising at or for the Cargo Areas;

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

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

(15) "Runways" means, at any time, runways at the Airport for the landing and taking-off of aircraft.

(16) "Taxiways" means, at any time, taxiways and taxilanes at the Airport for the ground movement of aircraft to, from and between the runways, the Demised Premises, and other portions of the Airport.

17.02 Incorporation Of Exhibits.

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

Exhibit A -- The Demised Premises and Improvements.

Exhibit B -- Description of Common Improvements.

Exhibit C -- Procedures for Design and Construction of Improvements.

Exhibit D -- Equal Employment and Affirmative Action.

Exhibit E -- O'Hare Cargo Areas Layout Plan.

Article XVIII.

18.01 Notices.

All notices to City provided for herein shall be in writing and may be sent by registered or certified mail, postage prepaid, addressed to the Commissioner of Aviation of the City of Chicago, City Hall, Chicago, Illinois 60602, or to such other address as City may designate from time to time by notice to Airline or as required by this Lease, and shall be deemed given when so mailed. All notices to Airline provided for herein shall be in writing and may be sent by registered or certified mail, postage prepaid, addressed to Airline, Attention: Vice-President, Cargo U.S.A., Compagnie Nationale

Air France, One Cross Island Plaza, Rosedale, New York 11422, with a copy to Compagnie Nationale Air France, Legal Department, 32nd Floor, 888 Seventh Avenue, New York, New York 10106, or such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

18.02 Separability.

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

18.03 Remedies Cumulative.

The rights and remedies granted in this Lease are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

18.04 Headings.

The section headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Lease.

18.05 Successors And Assigns.

All of the covenants, stipulations and agreements herein contained shall inure to the benefit of and be binding upon the successors, sublessees and assigns of the parties hereto.

18.06 Airline To Maintain Its Corporate Existence; Conditions Under Which Exceptions Permitted.

Airline shall maintain its corporate existence, shall not dissolve or otherwise dispose of all or substantially all of its assets, and shall not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, unless the surviving, resulting or transferee corporation, as the case may be, (a) expressly assumes in writing all of the obligations of Airline hereunder, and (b) if such corporation is not organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia, delivers to City an irrevocable consent to service of process and jurisdiction substantially similar to Section 18.07(c) hereof.

18.07 Authorization To Operate; Consent To Service Of Process And Jurisdiction.

(a) Airline warrants that it is a corporation organized and existing under the laws of the state or country shown on the signature page hereof, is a holder of a foreign air carrier permit duly issued under the Federal Aviation Act of 1958, as amended, authorizing it to operate in foreign air transportation to and from the City of Chicago.

(b) If Airline is a corporation organized and existing under the laws of the United States of America or a state or territory thereof or the District of Columbia, Airline warrants that it is, and throughout the term of this Agreement it will continue to be, duly qualified to do business in the State of Illinois.

(c) All judicial proceedings brought against Airline with respect to this Agreement may be brought in any federal court of competent jurisdiction having situs within the boundaries of the federal court district of the Northern District of Illinois, and by execution and delivery of this Agreement, Airline accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. Airline designates and appoints the representative designated on the signature page hereto under the heading "Designation of Agent for Service of Process", as its agent in Chicago, Illinois to receive on its behalf service of all process in any such proceedings in any such court (which representative shall be available to receive such service at all times), such services being hereby acknowledged by such representative to be effective and binding service in every respect. Said agent may be changed only upon the giving of written notice by Airline to City of the name and address of a new Agent for Service of Process that works within the geographical boundaries of the City of Chicago and is employed by Airline. Airline irrevocably waives any objection (including without limitation any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Lease in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of City to bring proceedings against Airline in the courts of any other jurisdiction.

18.08 Late Payments.

Any payment required to be made by Airline under this Lease which is not paid within five (5) business days of its due date shall bear interest at the rate of four (4) points above the highest "prime" lending rate of interest announced from time to time by the four largest commercial banks in Chicago, determined on the basis of total assets.

18.09 Amendments.

This Lease constitutes the entire agreement of the parties with respect to the subject matter contained herein, and may not be modified or amended except in a writing signed by both parties.

In Witness Whereof, The City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and Air France has caused this Lease to be executed on its behalf by its ______________________ and witnessed by its ____________________ pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

Approved: City of Chicago

____
City Comptroller

____
Richard M. Daley, Mayor

Attest:

Approved As To Form
And Legality:

City Clerk

Corporation Counsel

Airline:

Compagnie Nationale Air France

Approved:

By: ______________________

Commissioner of Aviation

Its: ______________________

Signature: ______________________

By: ______________________

Its: ______________________

Signature: ______________________

Approved:

Designation of Agent for City Clerk Service of Process

____
Commissioner of Department of Public Works

Name: Air France Midwest Cargo Zone Manager

Address: O'Hare International Airport
Chicago, Illinois 60666

[Exhibits "A", "B" and "E" attached to this Cargo Building Site Lease printed on pages 28701 through 28704 of this Journal.]

Exhibits "C", "D" and Appendix "I" attached to this Cargo Building Site Lease read as follows:

Exhibit "C".

The Following Procedures Shall Apply During The Planning, Design, Fabrication, Installation, Construction, Start-Up And Testing (Collectively, The "Work") Of The Improvements And Common Improvements:

Paragraph 1. Responsibilities And Obligations Of The Airline.

(a) Airline shall perform the Work, or cause the Work to be performed, on the Improvements and Common Improvements. Airline may award contracts for the Work to be performed but Airline shall remain responsible for the Work. In order to expedite the Work, Airline may negotiate as well as competitively bid its contracts.

(b) Subject to the provisions of paragraph 2 hereof and of Section 1.02 of this Lease. Airline may commence the Work at any time after the execution of this Lease. Airline agrees that it will complete the Work, or cause the Work to be completed, with all reasonable diligence. Airline's failure to complete the Work in a timely manner shall not be grounds for any rent abatement under the terms of this Lease.

(c) Airline shall designate a Project Manager who shall manage and coordinate the Work. City shall direct all communications regarding the Work to the Project Manager.

(d) Airline shall not under any circumstances utilize the services of any entity which is barred from contracting with the City of Chicago pursuant to any law, ordinance, rule or regulation.

Paragraph 2. Airline Coordination With City.

(a) The Program Management Office ("P.M.O.").

The P.M.O. is a special office created by the City to manage the O'Hare Development Program. For the purposes of this Lease, the P.M.O., or any successor office, shall represent the City in all matters relating to the performance of the Work hereunder and shall constitute the point of receipt for all submittals, unless expressly specified otherwise herein. In all provisions of this Exhibit C in which the City's written approval or consent is required, such approval or consent must be that of the P.M.O., unless Airline is notified in writing by the P.M.O. otherwise. Any approval or consent by the P.M.O. hereunder shall not create any liability on the City, in whole or in part, for the professional or technical accuracy of the Airline's Work to be provided hereunder. The Director of the P.M.O. is the chief executive officer of the P.M.O. and shall be the final arbiter of any decision to be made or consent or approval to be given under this Exhibit C. The P.M.O. shall further assist Airline in coordinating Airline's Work with other projects and operations at the Airport and in Airline's contacts with any federal, state, or local government agencies. Airline will provide reasonable administrative space for the P.M.O. staff on or contiguous to the Demised Premises. The P.M.O. shall provide such personnel only as may be needed from time to time.

(b) Standard of Performance.

Airline shall perform, or cause to be performed, all Work with that degree of skill, care and diligence normally exercised by professionals performing equivalent work in projects of a scope and magnitude comparable to the Improvements and Common Improvements, and further in accordance with O'Hare Rules and Regulations in existence at the time the Work commences, and such other reasonable construction procedures and standards as may be established or approved by the City for the Improvements and Common Improvements. Such procedures and standards will not impose on Airline stricter or more rigid procedures or standards than are then being applied to other cargo carriers at the Airport. Such procedures and standards will be established by the City in a timely manner.

Paragraph 3. Requirements For Work.

(a) Project Planning, Design and Fabrication Phase.

Airline shall submit, or cause to be submitted, at such levels as may be reasonably requested by the P.M.O., proposed drawings, plans and specifications for the Improvements and Common Improvements for review and comment by the P.M.O. Such drawings, plans and specifications, and all amendments thereto, shall be subject to the approval of the P.M.O., which approval shall not be unreasonably withheld. The P.M.O. will approve, conditionally approve or disapprove submissions of any such drawings, plans and specifications within fifteen (15) business days, or as mutually agreed to following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation. If Airline intends to adopt fast track construction procedures, Airline must still complete each contract package to a reasonable level of detail (including alternate designs selected by the Airline for major structural, mechanical, electrical and architectural elements) that will provide the P.M.O. adequate information upon which to base its review and approval.

Airline shall not proceed with construction operations until all necessary approvals have been obtained.

(b) Airline To Provide Information.

Prior to the commencement of the Work, and thereafter as often as may be necessary to provide the P.M.O. with current and complete information about the Work, Airline shall submit to the P.M.O. (i) initial and updated construction schedules (which shall be reviewed by the P.M.O. for their impact and relation to other projects or operations at the Airport) indicating the proposed and/or actual sequence of all Work, and the estimated date of completion of the Work under each of Airline's contracts; (ii) initial and updated site utilization plans, including limit lines, on-site storage and office areas, and proposed temporary alterations or detours intended to maintain public access, and support detours intended to maintain public access and support services, to, from, through or past operating facilities at the Airport; and (iii) Airline's initial and updated cost estimates for the Improvements and Common Improvements, individually and aggregated.

(c) Installation, Construction, Start-Up and Testing Phase.

(i) The P.M.O. shall have the right to monitor the Work on the Improvements and Common Improvements to assure that the facilities which comprise the Improvements and Common Improvements are installed and constructed in conformity with the approved drawings, plans and specifications, and in accordance with the applicable standards therefor. In order to assist the P.M.O. in monitoring the installation, construction, start-up and testing of the Improvements and Common Improvements, Airline's Project Manager shall submit, or cause to be submitted, to the P.M.O. copies of all:

-- surveys, soil borings, and field test reports;

-- contracts for services, labor and materials;

-- material certificates and samples;

-- approved shop drawings;

-- lien waivers, payrolls, and requests for payment by contractors of any tier;

-- progress reports;

-- notification of substantial completion of the Improvements and Common Improvements and final acceptance thereof;

-- maintenance and operations manuals in connection with building systems;

-- as-built drawings;

-- warranties;

-- test and start-up results; and

-- any other documents related to the Improvements which may be reasonably requested by the City.

(ii) No change order which materially changes the scope of the Work or the Improvements and Common Improvements shall be implemented by Airline without review and approval by the P.M.O. The P.M.O. will approve, conditionally approve or disapprove submissions of change orders within fifteen (15) business days following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation.

(iii) In the event the P.M.O. determines that the Work is at material variance from the approved drawings, plans, and specifications or applicable standards, Airline shall use its best efforts to expeditiously resolve such variance through immediate consultation with its contractors. Until it has been determined by the P.M.O. that the Work has been performed without material variance from the approved drawings, plans and specifications and applicable standards, the P.M.O. may, by written notice to Airline, (i) suggest to Airline that Airline withhold payments from any contractor or subcontractor which has performed, in the judgment of the P.M.O., Work which is at material variance from the approved drawings, plans and specifications, or applicable standards, or (ii) suggest to Airline that it stop Work on any portion of the Improvements or Common Improvements directly affected by such variance from the approved drawings, plans, specifications and applicable standards. If Airline's response is unacceptable in the reasonable opinion of the P.M.O., the P.M.O. shall have the right to direct Airline to stop any other Work on any portion of the Improvements or Common Improvements that are at variance with the approved drawings, plans, and specifications or applicable standards until the affected Work is corrected or replaced.

Any Work which is at material variance from the approved drawings, plans and specifications or applicable standards shall be corrected or replaced by Airline, directly or through its contractors, provided that the P.M.O. has informed Airline of such variance within ten (10) business days following the performance of such Work, unless the variance affects the structural integrity or safety of the Improvements or Common Improvements or the variance could not have been discovered with due diligence, in which case the P.M.O. shall inform Airline of such variance as soon as reasonably practicable. If such Work is not corrected or replaced by Airline within thirty (30) days following notice from the P.M.O. to Airline, the P.M.O. may cause such Work to be corrected or replaced, with its own forces or otherwise, at the expense of Airline, provided that in the event such Work cannot be corrected or replaced within said thirty (30) day period, Airline shall be afforded such additional time as the P.M.O. may determine to be reasonably necessary to correct or replace such Work.

Paragraph 4. Compensation To City.

(a) Within no less than thirty (30) days after receipt of an invoice from the P.M.O. in accordance with subparagraph (c) below, Airline shall compensate the P.M.O. for the cost of those services provided by the P.M.O. The P.M.O. agrees to use its best efforts to keep its costs as low as reasonably practicable, provided, however, that in no event shall the aggregate amount of reimbursement to the P.M.O. hereunder exceed in the first year that any Work is or has been performed, an amount equal to one and one-half percent (1-1/2%) of the aggregate expenditures during such year for the Work on the Improvements and Common Improvements and, in the second and any subsequent year that any Work is performed, an amount equal to two percent (2%) of the aggregate expenditures during such year for the Work on the Improvements and Common Improvements, and provided, further, however, that the P.M.O. shall be entitled to an equitable adjustment of such amount in proportion to any increase in its services as a result of a change in the scope of Work or in the Improvements or Common Improvements.

(b) In November or December of each year during the continuation of the Work, the P.M.O. shall provide Airline with an estimate of the P.M.O.'s required manhours and budgets by month, with regard to its services for the next calendar year. Thereafter, on a semi-annual basis, the P.M.O. shall provide Airline with a detailed review and analysis of actual manhours and expenditures against estimates, including reallocation of budgets if required, with regard to its services. More frequent reviews will be provided upon Airline's reasonable request therefor.

(c) The P.M.O. shall provide Airline with monthly invoices that describe time charges for the P.M.O. staff assigned to the Improvements and Common Improvements, and any other costs associated with the services provided by the P.M.O. Airline may, within ten (10) days of such provision, request a meeting with the P.M.O. to review and discuss such invoices. The P.M.O. shall hold such meeting or provide Airline with a reasonable opportunity for such a meeting, and give due consideration to Airline's concerns and recommendations regarding such invoices. Airline may further request, at Airline's expense, City to review and audit P.M.O. invoices related to the Improvements and Common Improvements at any time. Airline shall, upon reasonable request therefor, receive copies of all such audits performed by City and may interview the personnel who performed such audits. In no event shall Airline withhold from the P.M.O. the payment of any undisputed amount.

Paragraph 5. Access To Work Site.

Airline, and its architects, engineers, materialmen, and contractors of any tier, shall have, at their own risk, full and complete access to the Demised Premises and such other areas in the Airport as may be necessary to perform Work on the Improvements and Common Improvements, provided that such access shall not unreasonably interfere with the operations of or other projects at the Airport. The P.M.O. shall have authority to arrange, and shall arrange such access in a timely fashion. Notwithstanding any other statements herein, it is Airline's responsibility to coordinate its Work with the operations of and all other projects at the Airport. Airline is solely responsible for any costs relating to such coordination.

Paragraph 6. No Warranty By City.

Airline warrants that it has inspected the Demised Premises, and any other areas in the Airport as may be necessary to perform Work on the Improvements and Common Improvements; that it was permitted access to any person or information in connection with its investigation of the

Demised Premises and such areas; that the time for such investigation was adequate; that from its own analysis it has satisfied itself as to the nature of all things needed to perform the Work; and that except only for those representations expressly contained in this Lease, no other representation, statement or promise, oral or in writing, of any kind whatsoever, by City, its officials, agents or employees, has been made regarding the nature, existence or location of materials, structures, obstructions, utilities or conditions, surface, subsurface or environmental, which may be encountered at the Demised Premises or such other areas.

Exhibit "D".

I. Equal Employment And Affirmative Action.

Paragraph 1. Minority And Women Business Enterprises.

Airline (the "Company") shall provide for the participation of Minority and Women Business Enterprises in the design and construction of the Improvements and Common Improvements. To this end, the Company shall establish a policy for the utilization of Minority and Women Business Enterprises, a liaison with the Department of Aviation and Department of Purchasing for Minority and Women Business Enterprises, a goal for the award of design and construction contracts, and a reporting procedure agreeable to the Company and the City.

Paragraph 2. Policy.

The following statement represents Company's policy regarding Equal Opportunity and a Minority and Women Business Enterprises program:

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

representative opportunity to participate in Company's construction project contracts.

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

Paragraph 3. Liaison.

To ensure compliance and the successful management of Airline's Minority and Women Business Enterprise program, the Company shall establish a Minority and Women Business Enterprise liaison with City's Department of Aviation and with the City's Department of Purchases, Contracts and Supplies for the Improvements and Common Improvements. Further, all personnel of Company and all others with responsibilities in the supervision of contracts for the Improvements and Common Improvements are to see that actions are performed consistent with the affirmative action goals of this Exhibit D.

Paragraph 4. Goals.

The goals to be met by the Company in the design and construction of the Improvements and Common Improvements shall be with utilization of Minority Business Enterprises (M.B.E.) and Women Business Enterprises (W.B.E.) certified by the City of Chicago subject to the availability of M.B.E. and W.B.E. capable of performing the design and construction of the Improvements and Common Improvements. These goals shall be administered in a manner to assure the City and Company that: (1) the Improvements and Common Improvements shall be completed at a reasonable and acceptable cost to Company, (2) the Improvements and Common Improvements shall be completed on a reasonable and acceptable timetable to Company and City and, (3) the construction quality for the Improvements and Common Improvements shall be reasonable and acceptable to Company and City.

The goals of the Company for participation by Minority and Women Business Enterprises (M.B.E. and W.B.E.) in the design and construction of the Improvements and Common Improvements shall be to achieve a minimum M.B.E. participation of 25% and W.B.E. participation of 5%, based on the total contracted expenditures for the Improvements and Common Improvements.

Should Company determine that no M.B.E. and W.B.E. is capable or available to perform work on the Improvements or Common Improvements, it shall notify the Commissioner of Aviation specifying the type of work required and the reasons an M.B.E. and/or W.B.E. is not available to perform such work. The Commissioner shall forward the Company's statement to the Department of Purchasing, who shall determine if any M.B.E. and W.B.E. are available to perform the work needed. If the Department of Purchasing determines that certified M.B.E. and W.B.E. are available to perform such work, it shall notify the Company of such availability and Company will be required to utilize such M.B.E. and W.B.E. to the extent the goals set forth above can be met.

Paragraph 5. Eligibility.

Only those persons, firms, partnerships, corporations or other legal entities certified by the City of Chicago as a certified M.B.E. and/or W.B.E. shall be eligible for purposes of meeting the goals established by paragraph 4 hereof.

Paragraph 6. Reporting.

The Minority and Women Business Enterprise progress report required by Section IV of this Exhibit D shall be made on forms or on a format established by the City and agreeable to Company that includes the following items:

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

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

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

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

(v) An evaluation of the overall progress to date towards the Minority and Women Business Enterprise goals for the Improvements and Common Improvements.

II. Equal Employment Opportunity And Affirmative Action Plan.

The Company must commit to establish, maintain and implement a written Equal Employment Opportunity and Affirmative Action Plan (the "E.E.O./A.A. Plan") for the Improvements and Common Improvements, which plan is acceptable to the City and the Company.

The E.E.O./A.A. Plan will be considered in relation to the following goals for employment of women and minorities:

Minority Employment:

25% of skilled hours

40% of laborer hours

Women's Employment:

7% of skilled hours

10% of laborer hours

III. Chicago First Hiring Program.

In the event there are contracts subject to this Exhibit D, the City, through the Mayor's Office of Employment and Training ("M.E.T."), will provide a Chicago First Hiring Program ("Chicago First Program") to the Company. An objective of the Chicago First Program is to ensure that City residents who have received training and skill development through M.E.T. are afforded consideration for jobs created through development projects.

The Company agrees to negotiate a Chicago First Agreement (the "First Source Agreement") with M.E.T. for the recruitment and referral of personnel for positions available in the construction and/or operation of the Improvements and Common Improvements.

The Company agrees to ensure that in the aggregated hours of work to be performed by all contractors and site work subcontractors in the construction of the Improvements and the Common Improvements, at least 50% of the on-site worker hours in the category of construction laborers and at least 50% of the on-site worker hours in the category of skilled construction trade workers shall be residents of the City.

IV. Reporting And Compliance.

In the event that there are contracts subject to this Exhibit D, at quarterly intervals, beginning ninety (90) days following the execution of this Lease; the Company shall submit to the City progress reports on forms or on a format established by the City's Department of Purchases, Contracts and Supplies and agreeable to the Company, that provide required information concerning Company's compliance with the Company's M.B.E./W.B.E. requirements, E.E.O. and Affirmative Action Plan, and Chicago First Hiring Program.

V. Non-Responsible Bidder.

Prior to awarding any contracts for the Improvements or Common Improvements, Company shall provide City with the names of vendors who may be awarded such contracts. City shall promptly notify Company if a potential vendor appears on the City's list of non-responsible bidders. Company agrees that no contracts for the Improvements and Common Improvements shall be awarded to persons or corporations identified on the City's list of non-responsible bidders, so long as such list does not discriminate against any bidders because of race, religion, age, handicap, color, sex, national origin, citizenship or political affiliation.

VI. Contracting Authority Of Company.

Nothing contained herein shall be deemed to supersede the authority and responsibility of the Company with respect to the contracting process for construction of the Improvements and Common Improvements.

Appendix "I."

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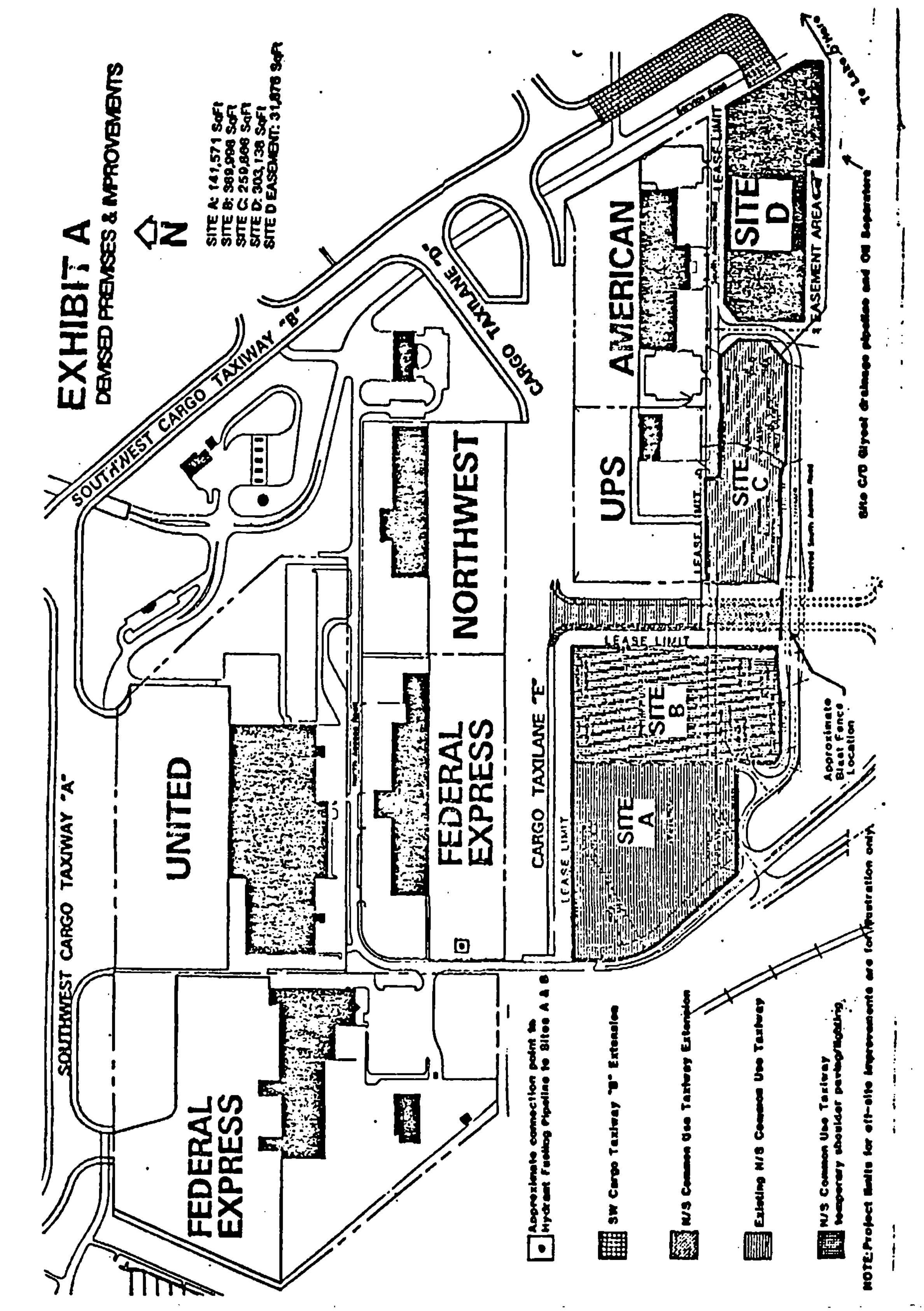


EXHIBIT A
DEMISED PREMISES & IMPROVEMENTS
N
SITE A: 141,571 SqFt
SITE B: 389,998 SqFt
SITE C: 259,666 SqFt
SITE D: 303,138 SqFt
SITE D EASEMENT: 31,876 SqFt
SOUTHWEST CARGO TAXIWAY "B"
CARGO TAXILANE "D"
SOUTHWEST CARGO TAXIWAY "A"
CARGO TAXILANE "E"
UNITED
FEDERAL EXPRESS
NORTHWEST
FEDERAL EXPRESS
UPS
AMERICAN
SITE A
SITE B
SITE C
SITE D
EASEMENT AREA
LEASE LIMIT
Approximate Blast Fence Location
Approximate connection point to Hydrant Fueling Pipeline to Sites A & B
SW Cargo Taxiway "B" Extension
N/S Common Use Taxiway Extension
Existing N/S Common Use Taxiway
N/S Common Use Taxiway temporary shoulder paving/lighting
NOTE: Project limits for off-site improvements are for illustration only.
Site C/D Glycol drainage pipeline and Oil Separators

Exhibit "B"
(Page 1 of 2)

Common Improvements -- Air France.

1) Air France will reimburse $190,266.20 to United Parcel Service for the cost of paving one-half of the Common Use Taxiway (sometimes referred to as the "North-South Taxiway" or "N/S Taxiway") to the east of the Air France Site. In addition, Air France will construct, at its cost, a permanent shoulder and permanent lighting on the west side of the Common Use Taxiway to replace the temporary shoulder and lighting installed by United Parcel Service.

2) Air France will reimburse the O.D.P. for its share of the cost of relocating the South Access Road and associated utilities (O.D.P. No. 434). Project cost will be allocated among those benefiting from the relocation as a percentage share of each site in proportion to the total square footage of the sites, as follows:

Carrier	Lease Area (Sq. Ft.)	Percentage Share
Air France	369,998	35%
Lufthansa	441,571	41%
KLM	259,866	24%

3) Where required, Air France will reimburse any airline operating or constructing a cargo facility in the Southwest Cargo Area for the reasonable cost of blast fencing needed to protect such airline from jet blast caused by aircraft operations at the Air France site. Any airline entitled to reimbursement from Air France pursuant to this section shall notify Air France in writing of the amount of the claim, and Air France shall reimburse such airline upon presentation of appropriate invoices.

4) Air France shall pave at its own cost whatever area ("Area") between the outer taxiway/taxilane shoulders and facility lease limits that is required for its aircraft to have access to the cargo facility. In addition, Air France, at its own cost, shall relocate or remove any existing facilities such as taxiway/taxilane lighting or re-striping from the Area.

Exhibit "B"
(Page 2 of 2)

Common Improvements – Air France

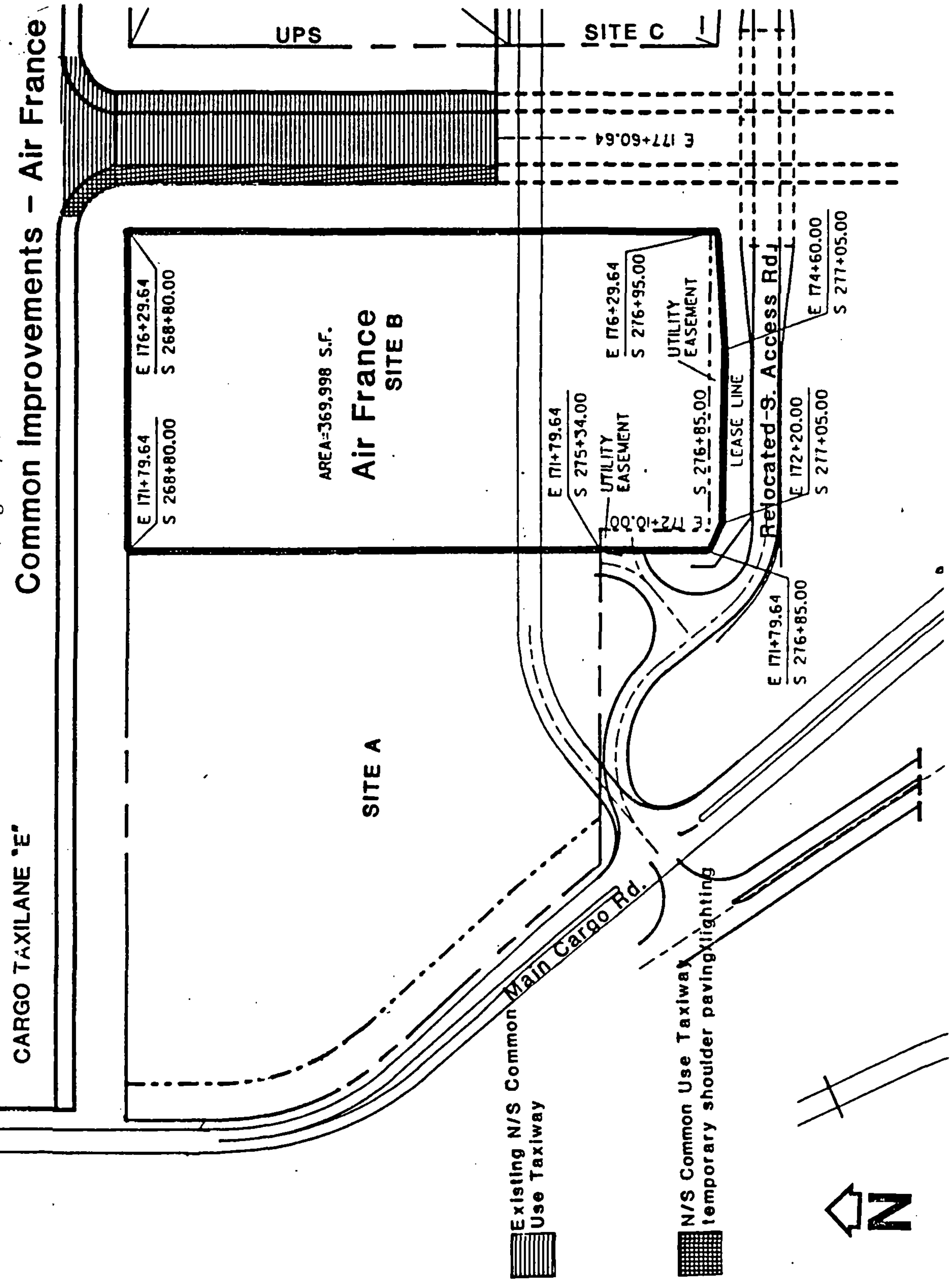
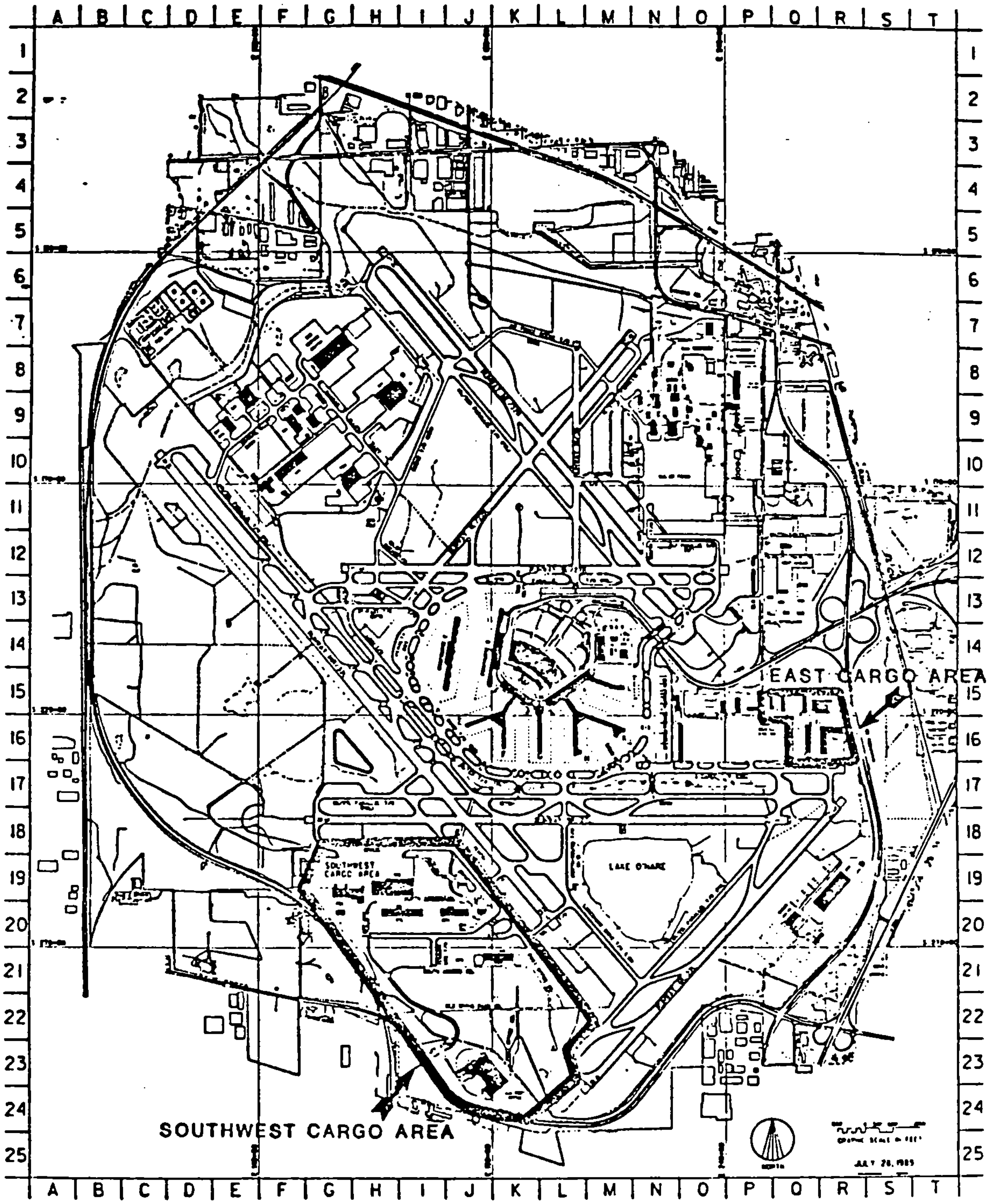


EXHIBIT E: O'HARE CARGO AREAS



Areas included for calculating Operating & Maintenance costs

AMENDMENT OF TITLE 10, CHAPTER 28 OF MUNICIPAL CODE OF CHICAGO BY REGULATING ADVERTISING BENCHES ON PUBLIC WAYS.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Streets and Alleys, deferred and published in the Journal of the Proceedings of December 5, 1990, pages 26745 through 26753, recommending that the City Council pass a proposed substitute ordinance amending Title 10, Chapter 28 of the Municipal Code of Chicago by regulating the placement of advertising benches on public ways.

Alderman Levar presented the following amendment:

Motion To Amend

"I move to amend the Advertising Bench Regulation Ordinance on page 7, in paragraph 10-28-670 (c) (1), by inserting "four feet" in lieu of "six feet" and on page 7, in paragraph 10-28-670(c) (3) by inserting "R3" in lieu of "R5".

Alderman Natarus moved to refer the foregoing proposed amendment to the Committee on Streets and Alleys.

Alderman Madrzyk moved to lay on the table the motion to refer. The clerk then called the roll and the motion to *Lay on the Table Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Rugai, Garcia, Laski, Soliz, Bialczak, Mell, Austin, Kotlarz, Banks, Laurino, O'Connor, Pucinski, Levar, Clarke, Stone -- 22.

Nays -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Carter, Langford, Streeter, Troutman, J. Evans, Henry, E. Smith, Burrell, Figueroa, Natarus, Eisendrath, Shiller, M. Smith -- 20.

Thereupon, on motion of Alderman Levar, the foregoing proposed amendment was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Laski, Henry, Soliz, Butler, E. Smith, Burrell, Bialczak, Gabinski, Mell, Austin, Kotlarz, Laurino, O'Connor, Pucinski, Levar, Shiller, Clarke, Stone -- 30.

Nays -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Troutman, Garcia, Figueroa, Natarus, Eisendrath, Hansen, M. Smith -- 14.

Alderman Natarus then presented the following amending ordinance:

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

SECTION 1. Chapter 10-28-67 of the Municipal Code of Chicago is hereby amended by adding the following language:

(11a) The following area is hereof designed as an "advertising bench restricted zone".

On the east Lake Michigan, on the north delineated by East Goethe Street, to West Goethe Street, to North Dearborn Parkway, to East North Boulevard, to West North Avenue; on the west the North Branch of the Chicago River; on the south the Chicago River namely the 42nd Ward of the City of Chicago.

SECTION 2. This ordinance shall become effective 90 days after its passage and publication.

Alderman Madrzyk moved to refer the foregoing proposed amending ordinance to the Committee on Streets and Alleys. The motion *Prevailed* by a viva voce vote and the foregoing proposed amending ordinance was *Referred to the Committee on Streets and Alleys.*

Thereupon, on motion of Alderman Levar, the said proposed substitute ordinance, as amended, was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, Garcia, Laski, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Kotlarz, Banks, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke -- 43.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. Chapter 10-28 of the Municipal Code of Chicago is hereby amended by renumbering Article XI and Section 10-26-640 as Article XII and Section 10-28-800, respectively, and by adding a new Article XI to read as follows:

Article XI.

10-28-640. For the purpose of this Article:

"Advertising Bench" means a seat for the accommodation of people which is so designed as to permit the placement of any advertisement, slogan, or message;

"Commissioner" means the Commissioner of Public Works of the City of Chicago or his designee;

"Department" means the Department of Public Works of the City of Chicago;

"Contractor" means a person who is awarded a contract for the placement and removal of advertising benches pursuant to this Article;

"Public Way" includes any public street or alley from property line to property line, any city-owned parks, and any and all sidewalks, plazas owned by the City and parkways dedicated to public use;

"Person" means any individual, corporation or other business entity, partnership, association or any other legal entity;

"Transfer" means the sale of an interest and every other method, direct or indirect, conditional or unconditional, voluntary or involuntary, of disposing of or parting with an interest in a permit, including by means of a pledge, lien, encumbrance, gift, security interest or otherwise.

10-28-650. (a) Beginning 90 days after the effective date of this Article, no person shall place or maintain any advertising bench on or over the public way except as permitted under this Article.

(b) The Commissioner may grant authority for the use of the public way for the placement of advertising benches within the City or within a defined portion of the City, in the manner provided in this Article.

(c) The authority to place advertising benches on the public way in any territory within the City shall be awarded by contract pursuant to the competitive bidding procedures set forth in Division 10 of Article 8 of the Illinois Municipal Code and Chapter 2-92 of the Municipal Code of Chicago.

(d) Before accepting bids for any such contract, the Department shall, by rule or regulation, define the territory or territories in which the authority to place advertising benches will be granted.

(e) Any person awarded a contract under this section must:

(1) Place advertising benches on the public way only as permitted by this Article.

(2) Remove, at the direction of the Department, advertising benches illegally situated on the public way within the territory, in accordance with a schedule developed by the Department and incorporated into the contract.

(3) Pay the City a monthly rental fee for each advertising bench placed or maintained on the public way by the contractor. Such fee shall be the amount that is bid in the competitive bidding process.

(f) A contract awarded pursuant to this section shall be in effect for a period of 3 years unless terminated pursuant to this chapter or pursuant to the terms of the contract. A contract may be extended by mutual agreement for a period of one year or less, but may not be so extended more than 3 times.

(g) A contract awarded pursuant to this section may contain such penalties, rewards or other inducements as the Commissioner or the Corporation Counsel considers necessary to further the purposes of this Article, and may provide for arbitration as a means for settling disputes arising under the contract. The contract may also provide that the City will in whole or in part indemnify the contractor against liability arising from the exercise of the contractor's duties pursuant to the contract.

10-28-660. (a) Applications for permits to place advertising benches at particular locations shall be made by the contractor to the Commissioner on forms provided by him for such purpose. Each application shall contain the proposed location of the advertising bench, a brief description of the size *and shape of the bench and a drawing showing the exact proposed placement of the bench at the location. The application shall be reviewed by the Department to insure that the proposed location and placement are in conformity with this Article and with rules and regulations governing the placement of such benches in the public way promulgated pursuant to Section 10-28-690. Within 10 business days of receiving any application, the Commissioner shall notify the alderman of the ward in which the bench is proposed to be placed, who shall respond in writing with his specific objections, if any, within 15 days of receiving such a notice.*

(b) If the Commissioner determines that the proposed location of the advertising bench is in compliance with this Article and all rules and regulations adopted pursuant thereto, he shall issue a permit to the contractor for the bench. A permit shall be valid for the duration of the contract unless the permit is terminated by the Commissioner for any violation of this Article or for any other reason specified in this Article. Permits shall be nontransferable, and any attempt to transfer such a permit shall result in the immediate expiration of the permit. The monthly fee for placing or maintaining an advertising bench on the public way shall apply from the first day of the month following the month in which the permit is issued. The fee shall be paid each month or on such other periodic basis that the Commissioner may establish by rule.

(c) Each contractor shall provide proof to the Commissioner that he has obtained liability insurance in connection with all of his advertising benches, naming the City of Chicago as additional insured. The aggregate amount of the insurance shall be an amount determined by the City Comptroller, Office of Risk Management, to be sufficient to cover all potential liability arising from the placement of the advertising benches.

No insurance policy shall be subject to cancellation except upon 30 days prior written notice to the Commissioner. A contractor shall maintain his insurance coverage so long as he keeps any advertising bench upon a public way. The term of any such policy shall be at least for the duration of any permit for any advertising bench issued to the contractor. Upon the termination or lapse of the contractor's insurance coverage, any permit issued to him shall expire.

(d) A contractor who applies for one or more permits shall post a cash bond with the City Comptroller in an amount specified in the contract for the purpose (1) of assuring the prompt removal of any advertising bench upon expiration and nonrenewal of its permit or whenever ordered or required to remove an advertising bench pursuant to any provisions of this Code or the contract, and (2) of repairing any damage to the public way caused by the presence of any advertising bench placed by the contractor. The cost to the City of removing any such bench or making such repairs shall be deducted from the contractor's bond.

Whenever the Commissioner assesses a cost against a contractor's bond, he shall provide him at least 10 days advance notice and inform him of his right to appeal and the manner of appealing the assessment in a public hearing in accordance with rules and regulations promulgated pursuant to Section 10-28-690. A contractor shall restore any amounts properly deducted from his bond within 10 days after the deduction is made. Bonds shall remain with the Comptroller for 90 days after the contractor certifies to the Commissioner that all advertising benches maintained by the contractor have been removed following the expiration or relinquishment of the contractor's last permit. Any balance remaining shall thereafter be promptly refunded.

(e) Each advertising bench shall exhibit the permit number issued for that location in permanently painted characters of at least one inch in height with one-fourth inch stroke in a contrasting color. Any bench failing to exhibit such information in the appropriate form may be removed pursuant to this Article.

(f) Whenever any advertising bench placed lawfully upon the public way by the contractor endangers public safety or property or becomes a public nuisance, or whenever construction or a change in the configuration of the public way necessitates the removal or relocation of such bench, or whenever the condition or placement of such bench is not in compliance with this Article, the Commissioner shall order the contractor to remove or relocate the bench at the contractor's expense, or shall cause the bench to be removed at the contractor's expense after giving the contractor 10 days written notice.

10-28-670. Each advertising bench must be situated adjacent to that portion of the roadway that is reserved for use as a Chicago Transit Authority bus stop. No more than one advertising bench may be situated at any such location. Advertising benches are expressly prohibited in the following places: (a) in any alley or fire lane; (b) at any location where placement of a bench would impede the free and orderly flow of pedestrian traffic or would impede access to the public way or public transportation by disabled persons; and (c) at any location:

(1) where the remaining width of the sidewalk would be less than four (4) feet;

(2) within 30 inches of any curbline;

(3) within 50 feet of the property line of property which is zoned R3 or lower or on which a designated landmark building is located;

(4) within 5 feet of any loading zone, driveway, fire lane or alley;

(5) within 15 feet of any fire hydrant or standpipe;

(6) within 3 feet of any pedestrian crosswalk;

(7) in line with and within 20 feet of any doorway; or entranceway to any private property or in a position that would otherwise interfere with or impede exit from or entrance to private property;

(8) on median strips in the roadway;

(9) within any bus shelter;

(10) within 3 feet of a posted Chicago Transit Authority bus stop sign;

(11) within any area designated an historic district pursuant to this Code; within a public park; or within any other area designated by ordinance adopted prior to advertising for bids as an advertising bench "restricted zone".

10-28-680. (a) Except as provided otherwise in subsection (b), no bench shall be more than 50 inches high, nor more than 30 inches in depth, nor more than 7 feet in length. The minimum weight for each bench, including the ends, legs, seatboard, bottomplate board and backrest, shall be 300 pounds. The bench's composition shall include two end legs which shall be a minimum of 24 inches high, made entirely of concrete, reinforced by steel bars throughout. The benches are further to be constructed broader without the use of nails of any sort. The bottomplate board, seatboard and backrest of every bench shall be composed of wood which is maintained in a smooth condition, free of splinters, jagged edges, rotted wood and other loose material. The seat-board shall be composed of 2 x 4's or 2 x 6's. The backrest shall be constructed of a minimum of 1/2 inch plywood and shall have its top corners rounded. The bottomplate shall not exceed 10 inches in height or 7 feet in length.

(b) The Commissioner may permit advertising benches that do not comply with all of the requirements of subsection (a) when he finds that the design of and materials used for the benches are safe and appropriate.

(c) It shall be the duty of the contractor to maintain each bench at all times in a safe condition, with no protruding bolts, screws or other matter, with all fastening apparatuses to be recessed and not protruding beyond the surface of the bench.

(d) It shall be the duty of the contractor to maintain each bench and the area occupied by each bench in a clean and neat condition at all times.

10-28-690. The Commissioner shall have the power and the duty to adopt such orders, rules and regulations as he may deem necessary for the proper administration and enforcement of the provisions of this Code governing advertising benches upon the public way.

10-28-700. Any person who maintains any advertising bench upon the public way without a contract and permit as provided in this ordinance must remove such bench within 90 days of the effective date of this ordinance. Thereafter, all such benches shall be subject to removal pursuant to this Article.

10-28-710. (a) Any governmental or private entity or other person, other than the City of Chicago or its agencies, which seeks to place or maintain on the public way any bench which does not contain advertisements, slogans or messages, shall apply to the Commissioner for a permit for each such bench. The Commissioner shall waive all application and permit fees, and all bond, license and insurance requirements. It shall be a condition for the issuance of any such permit that the entity or other person agree to save and hold the City of Chicago harmless and indemnify the City for any loss or expense in connection with any such benches placed, including any expense to remove or repaint any benches in violation of this section or in connection with the defense of any claim against the City arising from the presence of the bench upon the public way. No bench placed pursuant to this section may contain any advertisement, slogan or message, and any bench so placed which subsequently exhibits any advertisement, slogan or message is in violation of this ordinance. Any bench installed pursuant to this subsection shall comply with the provisions of Sections 10-28-670 and 10-28-680.

(b) Nothing in this Code prohibits the City from placing a bench on the public way whenever it determines that the convenience and comfort of the public will be served by such bench.

(c) Whenever an entity or other person, including the City of Chicago, has lawfully placed benches at a particular site or location pursuant to subsection (a) or (b), no other benches shall be permitted. If the Commissioner has already issued a permit to a contractor for a location at which the entity or other person seeks to place a bench, the contractor may maintain a bench at that location only for a period of not more than 90 days after the contractor is notified of such fact by the Commissioner.

10-28-720. (a) Each contractor shall have the authority to remove illegal advertising benches only in the territory for which the contract is awarded. The contract of a contractor who fails to remove illegal advertising benches in accordance with the terms of such contract shall be subject to termination at any time by the Department.

(b) The City shall have the authority to remove any illegally situated advertising bench that is not removed by the contractor. Any advertising bench removed by the City may be reclaimed by its owner within 10 days after it is removed, upon the payment of a $100 removal and storage fee. If the bench is not reclaimed within such 10-day period, it may be disposed of as unclaimed property. The City may assess against the contractor's bond

any of the City's unreimbursed expenses of removing a bench pursuant to this subsection.

(c) Any illegally situated advertising bench removed by a contractor shall be retained by the contractor for at least 10 days. The owner of the advertising bench may reclaim the bench from the contractor within such time upon the payment to the contractor of a $100 removal and storage fee. If the bench is not reclaimed within such 10-day period, the contractor may dispose of the bench as he sees fit.

(d) At least 10 days before an advertising bench that is illegally situated on the public way is removed pursuant to this Article, the City, or the contractor acting as agent for the City, shall affix a notice to the bench stating: (1) that the bench will be removed at the owner's expense if not removed by the owner within 10 days; and (2) the address at which the bench may be reclaimed within 10 days after it is removed, upon the payment of a $100 storage and removal fee.

In addition, if the address or telephone number of the owner of the bench is reasonably ascertainable from the bench itself, the City, or the contractor acting as agent for the City, shall provide the above information to the owner by mail or telephone at least 10 days before the bench is removed.

However, when the City removes an illegally situated advertising bench maintained by the contractor, notice pursuant to this paragraph shall be made only by mail to the contractor at least 10 days before the bench is removed.

Notwithstanding the provisions of subsection (d), the City, or a contractor operating under the direction of the City, shall have the authority to remove or relocate an advertising bench that poses an immediate threat to the health or safety of the public, without providing notice as required by that subsection.

10-28-730. The termination of a contract awarded pursuant to this chapter shall result in the revocation of all permits issued for the placement and maintenance of advertising benches.

10-28-740. Any person who violates this Article shall be subject to a fine of not more than $100 for each offense. Each day that any such violation continues shall be considered a separate and distinct offense.

SECTION 2. If any provision of this ordinance or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end each such invalid provision or invalid application of this ordinance is severable.

SECTION 3. This ordinance shall become effective 90 days after its passage and publication.

MISCELLANEOUS BUSINESS.

ASSIGNMENT OF CHAIRMEN, VICE-CHAIRMEN AND MEMBERS TO CITY COUNCIL STANDING COMMITTEES AMENDED FOR YEARS 1987 -- 1991.

Alderman Burke presented the following proposed resolution:

Be It Resolved by the City Council, That the following shall be Chairman, Vice-Chairmen and members on standing committees of the City Council of the City of Chicago for the 1987 -- 1991 term:

2. COMMITTEE ON AVIATION

   Banks (Vice-Chairman), Laski

4. COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS

   Rugai, Laski, Burrell, Clarke

6. COMMITTEE ON CLAIMS AND LIABILITIES

   Laski, Burrell

8. COMMITTEE ON CAPITAL DEVELOPMENT

   Fary (Chairman), M. Smith (Vice Chairman)

10. COMMITTEE ON EDUCATION

Laski, Clarke

11. COMMITTEE ON ENERGY, ENVIRONMENTAL PROTECTION AND PUBLIC UTILITIES

Clarke

12. COMMITTEE ON FINANCE

Rugai, Laski, Burrell, Clarke

13. COMMITTEE ON HEALTH

Burrell

14. COMMITTEE ON HOUSING, LAND ACQUISITION, DISPOSITION AND LEASES

Clarke

15. COMMITTEE ON HUMAN RIGHTS AND CONSUMER PROTECTION

Rugai

17. COMMITTEE ON HISTORICAL LANDMARK PRESERVATION

Rugai, Burrell

19. COMMITTEE ON LOCAL TRANSPORTATION

Rugai, Laski, Burrell

21. COMMITTEE ON POLICE, FIRE AND MUNICIPAL INSTITUTIONS

Rugai, Clarke

23. COMMITTEE ON SPECIAL EVENTS AND CULTURAL AFFAIRS

Bialczak (Vice-Chairman), Clarke

24. COMMITTEE ON STREETS AND ALLEYS

Laski

25. COMMITTEE ON TRAFFIC CONTROL AND SAFETY

Madrzyk (Vice-Chairman), Laski

26. COMMITTEE ON VETERANS' AFFAIRS

Laski, Burrell

; and

Be It Further Resolved, That the following Vice-Chairman and members are removed from the following committees:

2. COMMITTEE ON AVIATION

Fary (Vice-Chairman)

8. COMMITTEE ON CAPITAL DEVELOPMENT

Fary

21. COMMITTEE ON POLICE, FIRE AND MUNICIPAL INSTITUTIONS

Fary

25. COMMITTEE ON TRAFFIC CONTROL AND SAFETY

Madrzyk

On motion of Alderman Burke, the foregoing proposed resolution was *Adopted* by a viva voce vote, with Alderman Shaw dissenting.

Rules Suspended -- PRESIDENT GEORGE BUSH URGED TO BRING CRISIS IN PERSIAN GULF REGION TO PEACEFUL CONCLUSION.

Alderman Streeter moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon a proposed resolution. The motion *Prevailed.*

The said proposed resolution, presented by Aldermen Streeter, Bloom, Steele, Beavers, Dixon, Shaw, Carter, Langford, Troutman, J. Evans, Garcia, Soliz, Gutierrez, E. Smith, Burrell, Giles, Shiller and M. Smith, reads as follows:

WHEREAS, The invasion of Kuwait by Iraq has been resolutely condemned by the United Nations as an act of aggression that violates International law and norms of civilized conduct; and

WHEREAS, The crisis posed by Iraq's invasion of Kuwait is escalating and posing the danger of a world war with the real potential for the destruction of territory, natural resources needed for improving the global economic condition and quality of life of the world's peoples, particularly in the under-developed nations, and the loss of thousands of lives, including those of innocent civilians who are not party to the conflict; and

WHEREAS, The military build-up of the United States of America in the Persian Gulf Region creates an offensive capacity which is not conducive to a peaceful, long-term, political solution of problems in the Region; and

WHEREAS, A growing segment of the American public, including members of Congress, military experts and families of servicemen and servicewomen have questioned President Bush's policies in the Persian Gulf Region and his unilateral decision to intervene militarily in the Iraq-Kuwait situation; now, therefore,

Be It Resolved, That the members of the Chicago City Council go on record as urging President George Bush to intensify diplomatic and political efforts to bring the crisis to a peaceful end and ensure that the lives of American troops and innocent civilians would not be lost in battle; and

Be It Further Resolved, That copies of this resolution be presented to members of the Illinois Congressional Delegation and that the Illinois General Assembly be required to adopt a similar resolution in light of the fact that hundreds of Illinois citizens are on active military duty in the Persian Gulf Region.

Alderman T. Evans moved to amend the foregoing proposed resolution by deleting the word "required" appearing in the sixth paragraph and inserting in lieu thereof the word "memorialized".

The motion to *Amend* the resolution *Prevailed* by a viva voce vote.

Alderman Burke then moved to amend the foregoing proposed resolution by including the following language immediately below the final paragraph:

> "*Be It Further Resolved*, That all Chicagoans and all church leaders in Chicago join in prayer during this holy season for a peaceful resolve of the Middle East conflict".

On motion of Alderman Burke, the foregoing proposed amendment was *Adopted* by a viva voce vote.

Thereupon, on motion of Alderman Streeter, the foregoing proposed resolution, as amended, was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

WHEREAS, The invasion of Kuwait by Iraq has been resolutely condemned by the United Nations as an act of aggression that violates International law and norms of civilized conduct; and

WHEREAS, The crisis posed by Iraq's invasion of Kuwait is escalating and posing the danger of a world war with the real potential for the destruction of territory, natural resources needed for improving the global economic condition and quality of life of the world's peoples, particularly in the underdeveloped nations, and the loss of thousands of lives, including those of innocent civilians who are not party to the conflict; and

WHEREAS, The military build-up of the United States of America in the Persian Gulf Region creates an offensive capacity which is not conducive to a peaceful, long-term, political solution of problems in the Region; and

WHEREAS, A growing segment of the American public, including members of Congress, military experts and families of servicemen and servicewomen have questioned President Bush's policies in the Persian Gulf Region and his unilateral decision to intervene militarily in the Iraq-Kuwait situation; now, therefore,

Be It Resolved, That the members of the Chicago City Council go on record as urging President George Bush to intensify diplomatic and political efforts to bring the crisis to a peaceful end and ensure that the lives of American troops and innocent civilians would not be lost in battle; and

Be It Further Resolved, That copies of this resolution be presented to members of the Illinois Congressional Delegation and that the Illinois General Assembly be memorialized to adopt a similar resolution in light of the fact hundreds of Illinois citizens are on active military duty in the Persian Gulf Region; and

Be It Further Resolved, That all Chicagoans and all church leaders in Chicago join in prayer during this holy season for a peaceful resolve of the Middle East conflict.

Rules Suspended -- CANCELLATION OF CUT AND SEAL FEES FOR CLAIR-CHRISTIAN UNITED METHODIST CHURCH.

Alderman Burke moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon a proposed ordinance. The motion *Prevailed.*

Thereupon, on motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel "cut and seal fees" in the amount of $15,000.00 charged to Clair-Christian United Methodist Church, 3956 West 14th Street.

SECTION 2. This ordinance shall take effect and be in force upon its passage and publication.

At this point in the proceedings, The Honorable Richard M. Daley, Mayor, extended holiday greetings to the people of Chicago, the aldermen and their families.

Speaking on behalf of the entire legislative body, Alderman Burke extended to the Mayor and the entire Daley family best wishes for a very Merry Christmas and a healthy and happy New Year.

PRESENCE OF VISITORS NOTED.

The Honorable Richard M. Daley, Mayor, called the Council's attention to the presence of the following visitors:

Mr. P. J. Morgan, Mayor of Omaha, Nebraska;

Eighth grade students from Matthew Henson School accompanied by their teacher Mr. Robert Williams; Instructional Aide Ms. Joyce Bailey; and local school council members Ms. Cheryl Copeland and Mrs. Vera Simms.

Time Fixed For Next Succeeding Regular Meeting.

By unanimous consent, Alderman Burke 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 meeting held on Wednesday, the nineteenth (19th) day of December, 1990, at 10:00 A.M., be and the same is hereby fixed to be held on Friday, the eleventh (11th) day of January, 1991, at 10:00 A.M., in the Council Chambers in City Hall.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

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

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Dixon, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Rugai, Troutman, J. Evans, Garcia, Laski, Henry, Soliz, Gutierrez, Butler, E. Smith, Burrell, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Clarke, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Adjournment.

Thereupon, Alderman Burke moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned* to meet in regular meeting on Friday, January 11, 1991 at 10:00 A.M., in the Council Chambers in City Hall.

WALTER S. KOZUBOWSKI,
City Clerk.