IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Registrant: Eastern Air Lines, Inc.

TTAB

Mark:

73684172

72047319

Registration No.: 1,490,543

Registration Date: May 31, 1988

DECLARATION UNDER SECTIONS 8 AND 9 OF THE TRADEMARK ACT OF 1946

Eastern Air Lines, Inc. ("Registrant" or "Eastern"), a corporation established under the laws of the State of Delaware,[1] owns U.S. Trademark Registration No. 1,490,543 issued on May 31, 1988 as shown by records in the U.S. Patent and Trademark Office, with respect to the following services: **transportation of passengers by air in International Class 039.**

The Registrant requests that the registration be renewed for the services identified above pursuant to Section 9 of the Trademark Act.

Pursuant to Section 8 of the Trademark Act, Ronald T. Bevans, Jr., on behalf of Registrant, declares as follows:

1. Registrant owns Registration No. 1,490,543.

2. Registrant used the mark continuously in interstate commerce in connection with the transportation of passengers by air beginning in 1964.[2] On March 9, 1989, Registrant

[1] Registrant incorporated in 1938 and is now known as "New Eastern Air Lines, Inc." and is active and in good standing with the State of Delaware.

[2] Eastern's predecessor corporations provided service of mail and passengers since 1929, beginning as Pitcairn Aviation, then operating as "Eastern Air Transport" beginning January 17, 1930 before commencing the use of "Eastern Air Lines, Inc." in 1934.

05-29-2008

Patent & TMOfc/TM Mail Rcpt Dt. #72

filed a voluntary petition seeking relief under Chapter 11 of the United States Bankruptcy Code, Title 11, U.S.C. § 1101 et seq.

3. On February 5, 1996, Registrant emerged from bankruptcy and continued to operate and develop its ancillary businesses in the aviation services industry. Registrant retains various assets including, but not limited to, leasehold interests at Chicago O'Hare International Airport, an exclusive irrevocable license to certain flight control software, and certain international route authority granted by the U.S. Department of Transportation.

4. The mark is not currently in use in interstate commerce for transportation of passengers by air.

5. Registrant expects to resume the use of the mark in interstate commerce for transportation of passengers by air within the immediate future.

6. Related Marks:

a. Registration No. 1,285,593: EASTERN AIR LINES – The Patent and Trademark Office issued its Notice of Acceptance of Eastern's Combined Section 8 and 9 Affidavit on July 5, 2005 renewing this trademark.

b. Registration No. 1,466,632: THE EASTERN EXPRESSWAY – The Patent and Trademark Office issued a Notice of Acceptance of Eastern's Combined Section 8 and 9 Affidavit on November 6, 2007 renewing this trademark.

c. Registration No. 1,467,648: -- The Patent and Trademark Office issued a Notice of Acceptance of Eastern's Combined Section 8 and 9 Affidavit on November 5, 2007 renewing this trademark.

7. Registrant's present nonuse of the mark is excusable nonuse pursuant to 37 C.F.R. § 2,161 and T.M.E.P. § 1604.05 as it is due to the following special circumstances:

a. Extensive Goodwill Associated with the Famous Mark . The mark is famous and Registrant has achieved a strong goodwill in the mark. There exists a considerable reservoir of goodwill in the mark today evidenced, *inter alia*, by the following:

i. During nearly sixty years of operation, Eastern operated one of the largest U.S. airlines with routes across the United States, Caribbean, and South America. See Exhibit "A."

ii. Registrant spent in excess of $1.2 billion in advertising in conjunction with its mark and the Related Marks. See Exhibit "B."

iii. The vast extent of the goodwill associated with the name is borne out by a routine Internet search. For example, a search on the popular search engine google.com for the company returns approximately 1,080,000 hits. A copy of the first page of the Google search is attached hereto as Exhibit "C." Eastern Air Lines is also in the New Georgia Encyclopedia; the only other airline in this encyclopedia is Delta Air Lines. A copy of the webpage is attached hereto as Exhibit "D."

iv. The Eastern Airlines Retiree Association (EARA) publishes a monthly newsletter to over 8,000 members. Each issue includes a status report of many Eastern retirees and the Registrant's current activities. In fact, as a result of the strong goodwill toward Eastern, owner of the mark , EARA has procured reduced-rate flight privileges for EARA members with over twenty-five other airlines.

v. The vast extent of the goodwill associated with the mark is evidenced by the amount of memorabilia for sale under the mark and the Related Marks. A search for "Eastern Air" memorabilia for sale at eBay shows 45 items for sale. A copy of the website is attached as Exhibit "E."

All of the foregoing reflects the enormous goodwill connected with the mark and that the public identifies with Registrant, Eastern Air Lines.

b. No Intent to Abandon. Registrant has at no point intended to abandon the mark: in point of fact, Registrant has consistently and aggressively defended the mark from unlicensed use by third parties from 1991 to the present date. Registrant also has vigorously defended cancellation proceedings and attempts to register similar/same famous marks by third parties. Examples of the various cease-and-desist notices sent to infringers and potential infringers are attached hereto as collective Exhibit "F."

c. Licensing with Other Goods. Registrant is still using the mark on other goods, which are within the normal field of expansion of Registrant's business so that the buying public likely believes that these goods come from or are affiliated with Registrant. Specifically, like other famous airlines, the Registrant has licensed the mark to a company that manufactures decorative lamps. Registrant has licensed the mark to a firm specializing in the manufacture and sale of miscellaneous items such as pens, pins, computer mouse pads, hats, etc. Registrant has licensed for reproduction, use and sale of model aircraft by various licenses around the world. Representative samples of the license agreements are attached as collective Exhibit "G." Also incorporated in the exhibit are samples of the Registrant's license

of the mark for use by various media companies (i.e. MTV Networks, and DreamWorks, the latter for use in the 2002 movie "Almost Famous").

d. Ongoing Negotiations for Continued Use. For the past several years, Registrant has preserved the value of the mark by monitoring and prohibiting unlicensed, unapproved use of the mark. The registrant has also engaged in serious negotiations with several parties for the sale and acquisition of Registrant's assets, including Registrant's Intellectual Property, including all service marks.

e. Business Plans. Over the past several years, the Registrant has reviewed and analyzed various business plans developed by prospective investors intent on utilizing the famous "Eastern Air Lines" mark, the mark and the other marks of the Company, in connection with existing or new airline operations.

f. Sale of Assets and Service Marks. Registrant has executed an agreement for the sale, assignment and transfer of substantially all of the Registrant's assets, including all of its Intellectual Property, Marks and the goodwill associated therewith. The Agreement calls for multiple initial scheduled payments which are in process. Hence, this declaration is signed by Eastern as well as a representative of ACPG. The Purchaser, Aviation Capital Partners Group, LLC, a Delaware limited liability corporation ("ACPG"), has already deployed significant capital and effort into a business plan for the use of Registrant's assets, including the mark and goodwill, in the operation of a commercial air carrier for the carriage of passengers and freight domestically and internationally. Further information concerning this transaction is as follows:

i. Mr. Wegel of ACPG has been discussing the purchase and/or licensing of Eastern Air Lines' trademarks since at least 1996 and in 2006 entered into a license for same. Those

discussions and that license ultimately resulted in the execution of an Asset Purchase Agreement which is maintained as a confidential document and is therefore not attached hereto. The Asset Purchase Agreement awards warrants to Eastern Air Lines. As a result of those warrants, Eastern Air Lines has a continuing financial interest in ACPG's exploitation of the marks.

ii. ACPG maintains a confidential website, www.aerobrand/eastern.net, available only by password which contains business plans, financial information, projected traffic information and other information in connection with the business of Eastern Air Lines as a FAA Part 121 operating airline flying passengers by air. The website's purpose is to provide information to investors and other relevant personnel in connection with the restarting of Eastern Air Lines. The website uses Eastern's trademark in connection with the business of flying passengers by air.

iii. In further preparation for the restart of Eastern, Mr. Wegel has had working meetings with the United States Department of Transportation and the United States Federal Aviation Administration (FAA) in connection with the certification process. In addition, Mr. Wegel has had working meetings with the Airport Authority of Miami International Airport, the City of Miami Economic Development Group, the Office of the Mayor of Miami and the Miami-Dade County Aviation Authority for the purpose of securing facility space at Miami International Airport and to apply for financial and tax incentives from the various governmental agencies.

iv. Mr. Wegel has also met with senior management of companies within the airline industry to explore alliances and seek support as follows: Star Alliance, United Airlines, USAirways, Lufthansa, Air Canada, Air Jamaica, Virgin Atlantic, Delta Airlines, Virgin America, and Skybus.

v. For the purpose of acquiring and financing 35 aircraft A319/320 fleet Mr. Wegel has attended the following aircraft industry meetings: Airbus Industries of North America (Virginia), Airbus/EADS (Toulouse, France), International Lease Finance Corporation, General Electric Capital Aviation Services, Ansett Worldwide Aviation Services, AerCap, Bank of China Aircraft Leasing, and Dubai Aircraft Enterprises.

vi. Mr. Wegel has met with the following financial institutions for the purpose of raising funds for the restart of Eastern Airlines: JP Morgan Chase, UBS, Bear Stearns, and Lehman Brothers. Finally, Mr. Wegel has begun the recruitment of senior management for the following positions, Executive Vice President and Chief Financial Officer, the Sr. Vice President of Planning, the Sr. Vice President of Marketing, and Directors of Marketing, Operations and Quality Assurance.

g. *Force Majeure.* Due to circumstances beyond Registrant's control, Registrant's efforts to effectively deploy the mark in connection with the transportation of passengers by air have been hampered. Following the tragic events of September 11, 2001, the airline industry suffered losses that were so catastrophic that the U.S. government had to bail out the entire airline industry.[3] The Congressional response to 9/11 included the enactment of the Air Transportation Safety and Stabilization Act of 2001 ("ATSSA") creating the Airline Transportation Stabilization Board ("ATSB") and providing for $5 billion in direct aid to the U.S. airlines (allocated based on available seat miles) and another $10 billion in loan guarantees. During 2001-03, American West, US Air and other airlines were forced to obtain loan guarantees under the ATSSA (in addition to their receipt of their allocable direct grants) in order to survive.

[3] In fact, many airlines have since gone out of business, e.g. Vanguard, National and Midway, while others, such as United, US Air, American and Delta, either have filed for bankruptcy or continue to struggle to survive, or both.

The years 2002-2004 were catastrophic to domestic U.S. airlines and since 2004, the industry has begun to show signs of rebound. This rebound is partially illustrated by increased investment in the aviation sector and the commencement and growth of service by new entrants, such as Virgin America and Allegiant Air. The gradual rebound of the industry has been accompanied by a resurgence in the level of interest in the mark by certain investors and present airline operators since 2004.

h. International Route Authority. The Registrant is the holder of certain DOT route authority from both Fort Lauderdale and West Palm Beach to Havana, Cuba. A copy of the Route 110 authority is attached as Exhibit "H." Eastern acquired this authority when it acquired Mackey Airlines which had served this market and route for several years. The current controversial U.S. trade embargo, *inter alia*, precludes scheduled air carrier operations directly from the United States to Cuba. While the U.S. trade embargo with Cuba significantly impairs Registrant's ability to provide transportation of passengers by air, the route authorities undoubtedly represent valuable and viable assets. For example, in a prior route transfer proceeding, the DOT authorized the sale and transfer of similar Miami-Key West-Havana route authority from the original Pan Am to United. Eastern or a holder of Eastern's Route 110 Authority would have a formidable case to be awarded or retain the rights to provide service to Havana from both Fort Lauderdale and West Palm Beach over an application from any other carrier(s).

i. Registrant continues to own significant assets and engage in interstate commerce. Registrant leases space from the Chicago-O'Hare Airport that it, in turn, subleases to United Airlines. A copy of the lease agreement and sublease are attached hereto as Exhibits "I"

and "J." Eastern thus holds itself out in the airline business and, at such time as the Registrant or its assignee resumes providing its transportation of passengers by air, it may utilize the space at the Chicago-O'Hare Airport.

j. Registrant continues to own significant assets and engage in interstate commerce. Registrant holds a perpetual, royalty-free, exclusive, nontransferable license to proprietary airline flight control, crew management and maintenance support software. The software has been appraised with a replication cost of $43.5 million, built at an actual cost of $60.4 million. From 1995 through 2001 Eastern utilized the software in connection with its operation of its wholly-owned subsidiary, Ionosphere Technologies, Inc. (F/k/a/ OASIS Flight Control Systems, Inc.) to provide flight control services to airlines, including the US Airways Shuttle operations.

k. Third Party Interest in Registrant's Marks. Edward Lauth has applied for the registration of the following marks before the United States Patent and Trademark Office:

, Serial No. 78/375,547;

, Serial No. 78/375,530; FLY EASTERN (standard character mark), Serial No. 78/372,648. Prior to applying to register these marks, Lauth offered to pay Registrant the sum of $250,000 to purchase these marks, which offer was rejected. All of this clearly evidences the recognition of the continued inherent value and goodwill maintained in Registrant's famous marks.

8. Registrant's trademarks and service marks are valuable assets to Registrant and/or its assignee. Registrant has no intention of abandoning the mark or Registration No. 1,490,543, but in fact has intent to resume use of the mark by deploying the mark and certain of its assets in commerce.

9. There has been no adverse decision to Registrant's claim of ownership of the mark or Registration No. 1,490,543.

10. There is a pending proceeding regarding Registrant's rights in the mark and Registration No. 1,490,543 in the Patent and Trademark Office, Trademark Trial and Appeal Board.

The undersigned being hereby warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001, and that such willful false statements and the like may jeopardize the validity of this document and the Registration, declares that he is properly authorized to execute this document on behalf of the Registrant; and all statements made of his own knowledge are true and that all statements made on information and belief are believed to be true.

By: _____
Name: Ronald T. Bevans, Jr.
Title: Vice President, Legal Affairs
Date: May 27, 2008

CERTIFICATE OF MAIL AND CERTIFICATE OF SERVICE

Date of Deposit: 5/29/08

I hereby certify that this paper is being deposited with the United States Postal Service via Express Mail with sufficient pre-paid postage, in a envelope addressed to: Trademark Trial and Appeal Board, United States Patent and Trademark Office, P. O. Box 1451, Alexandria, VA 22313-1451. I further certify that a copy of this paper with its Exhibits, is being deposited with the United States Postal Service via U.S. First Class Mail in an envelope addressed to David J. Kera, Esq., Oblon, Spivak, McCleland, Maier & Neustad, P.C., 1940 Duke Street, Alexandria, VA 22314.

Steven E. Eisenberg

JOINDER

ACPG hereby joins in this Declaration of Section 8 and 9 renewal and requests that the Patent and Trademark Office renew the subject Mark.

Edward Wegel, Managing Member
Aviation Capital Partners Group, LLC

EXHIBIT "A"

EASTERN

Route System

[redacted]

EXHIBIT "B"

interoffice correspondence

EASTERN

TO:	John Sicilian	ADDRESS:	MIALX
FROM:	Stan Brown	ADDRESS:	MIASZ
		EXTENSION:	
SUBJECT:	Eastern Name Value Advertising Expense 1928 - 1990	DATE:	9/10/92

The attached analysis represents the expense of building the Eastern name over the lifetime of the airline based on our advertising cost since the airline's inception.

The method of calculating our advertising expenditures is as follows:

- 1990 - 1979
  Actual expenses provided by Finance.

- 1978 - 1955
  Using old Annual Reports I identified total corporate revenue for each year and computed 2% of that number (an overall industry standard) to calculate our advertising expense.

- 1955 - 1928
  During the late fifties and early sixties (years for which we have actual figures), the airline revenue growth was approximately 15%. I used this growth to calculate revenues from 1928 through 1955 and applied the 2% factor to estimate advertising expenditures.

- South America Advertising 1982 - 1990
  Actual expenses 1987-90 provided by Michael Henderson. 1982-87 is a "best guess" estimate based on higher start-up costs during the early years after acquiring the routes from Braniff.

This analysis indicates that the airline produced $63.347 billion in total revenues over the life of the company and spent approximately $1.440 billion advertising and promoting the brand.

In South/Latin America we spent approximately $105.2 million from 1982 through 1990. This does not take into consideration as to what percent of our domestic ad budget was spent advertising for traffic into South America from the U.S. I am trying to get a handle on what percent of our ASM's was north to south which I could use to allocate part of the domestic spending to the Latin American budget. If I make any progress here, I will let you know.

SEP 11 1992

1928 - 1990

YEAR	REVENUE (BILLIONS)	ADVERTISING EXPENSES (MILLIONS)	
		TOTAL	SOUTH/LATIN AMERICA
1990	2.1	98.2	1.2
1989	1.5	61.0	4.5
1988	3.8	100.3	7.5
1987	4.5	97.1	9.0
1986	4.4	109.4	15.0
1985	4.7	106.5	15.0
1984	4.2	90.1	16.0
1983	3.9	91.8	17.0
1982	3.8	81.1	20.0
1981	3.8	70.8	
1980	3.5	63.2	
1979	2.9	48.6	
1978	2.4	48.0	
1977	2.0	40.0	
1976	1.8	36.0	
1975	1.6	32.0	
1974	1.5	30.0	
1973	1.3	26.0	
1972	1.2	24.0	
1971	1.1	22.0	
1970	0.971	19.4	
1969	0.870	17.4	
1968	0.745	14.9	
1967	0.658	13.2	
1966	0.501	10.0	
1965	0.512	10.2	
1964	0.418	8.4	
1963	0.358	7.2	

1928 - 1990

		ADVERTISING EXPENSES (MILLIONS)	
YEAR	REVENUE (BILLIONS)	TOTAL	SOUTH/LATIN AMERICA
1962	0.290	5.8	
1961	0.295	5.9	
1960	0.294	5.9	
1959	0.298	6.0	
1958	0.246	5.0	
1957	0.262	5.2	
1956	0.228	4.6	
1955	0.199	4.0	
1954	0.169	3.4	
1953	0.148	3.0	
1952	0.125	2.5	
1951	0.106	2.1	
1950	0.090	1.8	
1949	0.077	1.5	
1948	0.065	1.3	
1947	0.055	1.1	
1946	0.047	0.940	
1945	0.040	0.800	
1944	0.034	0.740	
1943	0.029	0.580	
1942	0.025	0.500	
1941	0.021	0.420	
1040	0.018	0.360	
1939	0.015	0.300	

1928 - 1990

		ADVERTISING EXPENSES (MILLIONS)	
YEAR	REVENUE (BILLIONS)	TOTAL	SOUTH/LATIN AMERICA
1938	0.013	0.260	
1937	0.011	0.220	
1936	0.009	0.180	
1935	0.008	0.152	
1934	0.007	0.130	
1933	0.006	0.110	
1932	0.006	0.110	
1931	0.005	0.094	
1930	0.004	0.080	
1929	0.003	0.068	
1928	0.003	0.052	
TOTALS	63.347	1.440	105.2

EXHIBIT "C"

Google Web Images Groups News Froogle more »

eastern air lines Search Advanced Search Preferences

Web

Results **1** - **10** of about **1,080,000** for **eastern air lines**. (**0.14** seconds)

Eastern Air Lines 1939 - Eddie Rickenbacker
... Home > Transportation > Aviation > **Eastern Air Lines** 1939 - Eddie Rickenbacker. **Eastern Air Lines** 1939 - Eddie Rickenbacker. Click ...
www.scripophily.net/eas**air**.html - 67k - Cached - Similar pages

Eastern Air Lines First Stock Certificate 1939 - Eddie ...
... Home > Transportation > Aviation > **Eastern Air Lines** First Stock Certificate 1939 - Eddie Rickenbacker as President. **Eastern Air** ...
www.scripophily.net/eas**air**lin.html - 66k - Cached - Similar pages
[More results from www.scripophily.net]

AirDisaster.Com: Special Report: **Eastern Air Lines** Flight 401
Special Report: **Eastern Air Lines** Flight 401. By: Chris Kilroy. December 29, 1972, holds a dark place in American aviation history. ...
www.**air**disaster.com/special/special-ea401.shtml - 25k - Cached - Similar pages

Accident Database: Airline Crash Details > **Eastern Air Lines**
» AirDisaster.Com » Accident Database » **Eastern Air Lines**. There are 12 crash records for **Eastern Air Lines** in our database. Date, ...
www.**air**disaster.com/cgi_bin/ **air**line_detail.cgi?**air**line=Eastern+Air+Lines - 21k - Cached - Similar pages
[More results from www.airdisaster.com]

Sponsored Links

Air Lines
New Deals on Flights, Car Rentals, Hotels & Cruises at Cheap Tickets
www.CheapTickets.com

Airline Tickets
Book your flight right here! Affiliate.
www.orbitz.com

Delta.com (Official Site)
Book Direct and Save on Delta Web only specials. aff
www.delta.com

Eastern Local Personals
Find Fun, Romance, Love and More. Safely & Securely. Meet Someone Now
MatchTrust.com

Airline Ticket Specials
Get special deals on **air** tickets. Free price search and airfare info.
www.123-airline-tickets.com

Eastern Air
Brand Name Items, Discounted. Wide Selection Available [aff]
www.ebay.com

See your message here...

Eastern Air Lines, Inc. -- Britannica Concise Encyclopedia Online ...
... Search Britannica Concise Again. **Eastern Air Lines**, Inc. Britannica Concise. ... MLA style: "**Eastern Air Lines**, Inc.." Britannica Concise Encyclopedia. 2004. ...
concise.britannica.com/ebc/article?eu=388634 - 32k - Jul 10, 2004 - Cached - Similar pages

Air Power: Rickenbacker with **Eastern Air Lines** plane
US Centennial of Flight Commission home page. Edward Rickenbacker on the steps of an **Eastern** Airlines plane. Credits - Library of Congress. ...
www.centennialofflight.gov/ essay/Air_Power/rickenbacker/AP9G4.htm - 3k - Cached - Similar pages

Air Transportation: **Eastern** Airlines
... As a result, **Eastern Air** Transport became **Eastern Air Lines**. ... Bernstein, Aaron. Grounded: Frank Lorenzo and the Destruction of **Eastern Air Lines**. ...
www.centennialofflight.gov/essay/ Commercial_Aviation/EasternAir**lines**/Tran13.htm - 18k - Cached - Similar pages
[More results from www.centennialofflight.gov]

Aviation Safety Network > ASN Aviation Safety Database > Operator ...
... **Eastern Air Lines** airline: **Eastern Air Lines** country: United States of America. ASN SAFETY DATABASES. ... 18-JAN-1990, Boeing 727, N8867E, **Eastern Air Lines**, 0, USA, A2. ...
aviation-safety.net/database/ operator/**air**line.php?var=657 - 7k - Cached - Similar pages

Super70s.com: **Eastern** Airlines
... As a result, **Eastern Air** Transport became **Eastern Air Lines**. **Eastern**, ... Bernstein, Aaron. Grounded: Frank Lorenzo and the Destruction of **Eastern Air Lines**. ...
www.super70s.com/Super70s/ Tech/Aviation/Air**lines**/Eastern.asp - 48k - Cached - Similar pages

eastern air lines seat occupied card
cabin class collectibles, 1965 **Eastern Air Lines** "Seat Occupied" card - 8" x 4" Click HERE to return to Airlines. ... 0, 14617, **Eastern Air Lines** occupied card, $12.99, ...
www.cabinclass.com/items/**air**line/souvenirs/14617.htm - 5k - Cached - Similar pages

New! Get the latest web results on **eastern air lines** emailed to you with Google Web Alerts.

Goooooooooogle ▶
Result Page: 1 2 3 4 5 6 7 8 9 10 **Next**

eastern air lines Search

Search within results | Language Tools | Search Tips | Dissatisfied? Help us improve

Google Home - Advertising Programs - Business Solutions - About Google

©2004 Google

EXHIBIT "D"

THE NEW GEORGIA ENCYCLOPEDIA

TRANSPORTATION

Transportation

open all | close all

- Land
- Water
- Air
  - Delta Air Lines
  - Eastern Air Lines
  - Hartsfield-Jackson Atlanta International Airport
  - Helicopters for Intercity Travel
  - Hot Air Balloons
  - International Air Service and Georgia's Economy
  - Military Airfields
  - Public-Use Airports
  - Regional and General Aviation Airports
- Transportation Products
- Infrastructure/People

A project of the Georgia Humanities Council, in partnership with the Office of the Governor, the University of Georgia Press, and the University System of Georgia/GALILEO.

Copyright 2004 by the Georgia Humanities Council and the University of Georgia Press.
All rights reserved.

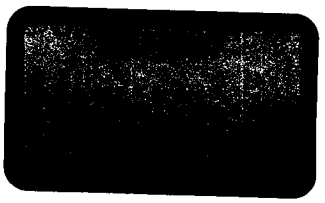


EXHIBIT "E"

air
NEW ECOQUEST
FRESH AIR PURIFIERS
98.9% positive feedback
Click Here
oregoncollectables (2662 ★) Power Seller Stores

air
NEW ECOQUEST
FRESH AIR
oregoncollec(2662 ★)

air
NEW IN BC
AIR PURIF
oregoncoll

Matching Categories

Collectibles (47)
- Transportation (35)
- Postcards & Paper (7)
- Autographs (1)

more ...

Stamps (4)
- United States (3)
- Topical & Specialty (1)

Business & Industrial (2)
- Industrial Supply, MRO (1)
- Laboratory & Life Science (1)
- Process Equipment (1)

Clothing, Shoes & Accessories (2)
Home & Garden (2)
Art (1)
Books (1)
Consumer Electronics (1)
eBay Motors (1)
Toys & Hobbies (1)

Search Options

Show only:
- ☐ Items listed with PayPal
- ☐ Buy It Now items
- ☐ Gift items
- ☐ Items listed as lots
- ☐ Completed listings
- ☐ Items priced

[ ] to

62 items found for **Eastern Air** · Add to

List View | Picture Gallery Sort by: Time: ending soonest Customi

	Item Title	Price	Bids
☐	EASTERN AIR LINE METAL SIGN	$9.99	-
☐	Eastern Air seats reserved or occupied placeholder	$3.50	1
☐	COMFORTAIRE EASTERN KING AIR BED NEW SELECT COMFORT	$530.00	14
☐	AVIATION EASTERN AIR LINES	$3.00	-
☐	Eastern Air Lines Wall Clock 3 Faces NIP EAL	$49.99	1
☐	1940's EASTERN AIR LINES OPERATIONS BASE MIAMI BOOKLET	$9.99	-
☐	Eastern Air Lines Playing Cards	$0.50	-
☐	vintage EASTERN AIR BI-PLANE brass PEWTER buckle 1977	$5.99	1
☐	Eastern Air lines EAL SEP1967 Timetable	$9.99	-
☐	1931 Eastern Air Transport System Poster	$8.00	-
☐	Eastern Air Lines Wayne Airport Flight Show 1953	$5.99	-

Show Items

Customize options displayed above.

More on eBay

Shop eBay Stores

- Rigastamps (6)
- Eclectic Salvage Vintage Goods (2)
- Mattia Collectibles (2)
- The Cover Connection (2)

See all matching Stores

☐		Eastern Airlines Air-Shuttle Plus discount book 1988	$3.50	-	1
☐		Eastern Air Transport April 1,1931 Timetable	$20.50	2	1
☐		1945 JustaKid Army Air Force Eastern Amplifier WWII ad	$9.99	-	1
☐		Eastern Air Lines Fleet Baggage Mint Gum Label	$4.00	1	1
☐		Eastern Air Lines Fleet Baggage Mint Gum Label	$4.00	1	1
☐		VINTAGE EASTERN AIR MIAMI BEACH ART POSTER PRINT FLORID	$13.99 $15.99	- Buy It Now	1
☐		EASTERN AIR LINES AIRLINES TIMETABLE NOV 1946!	$8.00	1	1
☐		1945 AC SPARK PLUGS AD/EASTERN AIR LINES	$4.00	-	1
☐		MARTIN 404 EASTERN AIR LINES SILVER FALCON - ORNAMENT	$7.99	1	1
☐		SCARCE WARTIME AIR FORCE CHART EASTERN SCOTLAND SKYE	GBP 7.50	-	2
☐		Gemini Jets - Eastern Air DC-10-30 **Chrome**	$17.99	-	2
☐		Lot Eastern Air Lines DC-3, DC-4 Parts List & Manuals	$74.95	-	2
☐		Eastern Air Lines Golden Falcon DC-7B, 1957 postcard	$3.50	-	2
☐		Eastern Bluebird, Spring is in the Air, New	$1.99 $5.97	- Buy It Now	2
☐		(ahk) Eastern Air Lines: McDonnell Douglas DC-9-51	$3.00	-	2
☐		Eastern Airlines Air Parcel Post Etiq. Pane	$14.90	Buy It Now	2
☐		Eastern Air Lines Baggage Label	$4.95	Buy It Now	2
☐		Eastern Air Lines Baggage Label	$4.95	Buy It Now	2

☐		Eastern Air Lines Foil Baggage Label	$4.95	=Buy It Now	2
☐		Eastern Air Lines Foil Baggage Label	$4.95	=Buy It Now	2
☐		Eastern Air Lines Foil Baggage Label	$4.95	=Buy It Now	2
☐		Vintage Eastern Air Lines Uniform Hat Stewardess Beret "Golden Falcon" Jonquil Original Airlines Play Toppers	**$19.99**	-	2
☐		Eastern Air Line airport Macon Ga Georgia	**$12.00**	-	2
☐		Eastern Air Lines 727 Whisperjet DR-12659-C	$5.00	=Buy It Now	2
☐		FAR EASTERN AIR TR.,Taipei Airport ,Postcard	$2.50	=Buy It Now	2
☐		1954 Eastern Air Lines Air Parcel Post Label	**$5.00**	-	2
☐		EASTERN ELECTRIC AIR CLEANER/ IONIZER N/R	**$5.99**	-	2
☐		"AIR FORCE-EASTERN TEST RANGE" POLICE PATCH	$5.95	=Buy It Now	3
☐		Eastern Air Lines Flatware	**$2.00**	-	3
☐		1951 Eastern Air Lines Sinclair Aircraft Engine Oil Ad	$9.95	=Buy It Now	3
☐		Eastern Airlines Jet Air Plane Travel New Neon Clock	$39.99	=Buy It Now	3
☐		Three Linear Actuators Eastern Air Devices	**$9.95**	-	4
☐		Eastern Airlines Air-Shuttle Plus ticket offer brochure	**$4.51**	2	4
☐		Rare Early Eastern Air Lines Airlines juice glass	**$4.99**	-	4
☐		EASTERN MODEL RA-1 AIR MIXER	**$100.00** $350.00	- =Buy It Now	4
☐		EASTERN AIR LINES Silver Fleet airline baggage label	**$5.00**	-	4

☐		MPC 1/144 Boeing 727 Eastern Air Lines	$9.95 $15.00 Buy It Now	-
☐		Eastern Air Lines 1936 airmail advertising cover	$7.00	-
☐		2 Eastern Air Lines 1955 - 57 ticket envelopes GSO RDU	$5.99	-

Compare 0 items selected, 0 previously selected items.

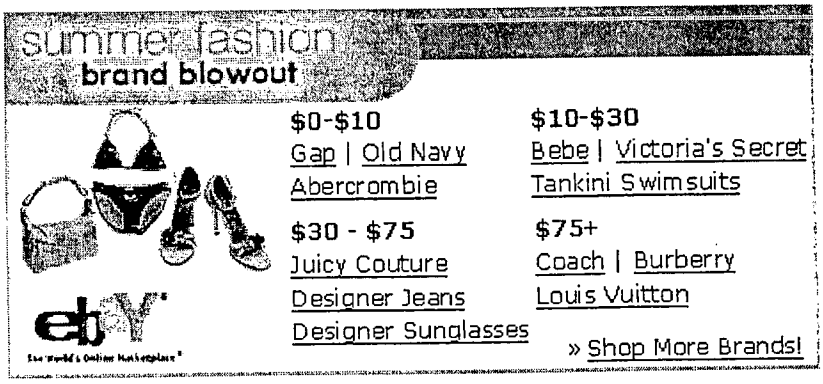
Page 1 of 2
Previous **1** | 2 Next

Matching items found in other eBay areas

- See additional Buy It Now items from eBay Store sellers. Learn more.
- See all items including those available from non-English speaking countries.

Note: Bid counts and amounts may be slightly out of date.
This page was last updated: Jul-12 10:48

eBay official tin



Copyright © 1995-2004 eBay Inc. All Rights Reserved.
Designated trademarks and brands are the property of their respective owners.
Use of this Web site constitutes acceptance of the eBay User Agreement and Privacy Policy.

reviewed by TRUSTe site privacy statement

EXHIBIT "F"

Law Offices
HOLLAND & KNIGHT

A Partnership Including Professional Corporations

2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202
202-955-3000
FAX 202-955-5564

Atlanta
Fort Lauderdale
Jacksonville
Lakeland
Miami
Orlando
St. Petersburg
Tallahassee
Tampa
West Palm Beach

December 15, 1994

VIA FEDERAL EXPRESS

Tri-Star, Inc.
2375 Wesley Chapel Road
Suite 3-139
Decatur, Georgia 30035

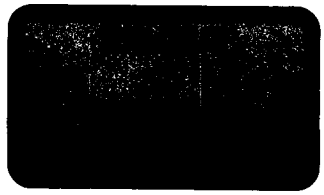
Re: Infringement of EASTERN AIR LINES Trademarks,
Our File No. 32055-23

Dear Sir/Madam:

This law firm represents Eastern Air Lines, Inc. ("Eastern"). Since 1934, Eastern has been engaged in the business of transportation of passengers and freight by air. Since that time, Eastern's air transport and related services have been identified by various federally registered marks, among which are the marks EASTERN, EASTERN AIR LINES, and the "airplane in oval" design mark. Copies of all U.S. Patent and Trademark Office registrations for these marks owned by Eastern are enclosed.

Although Eastern is in a process of reorganization and is not currently actively providing transportation services, it has not abandoned its valuable trademark rights. On the contrary, Eastern continues to vigorously protect those rights, and all of the marks appearing on the enclosed registrations remain in good standing as registered marks under federal law. Even subsequent to the suspension of transportation services by Eastern, the Patent and Trademark Office has recognized Eastern's rights in the trademark registrations and accepted affidavits to maintain the validity of those registrations.

It has come to our attention that Tri-Star, Inc. ("Tri-Star") is advertising and promoting the sale of clothing bearing one or more of Eastern's marks. Tri-Star's use of the Eastern marks dilutes the distinctive nature of those marks. It is likely to cause consumer confusion in that consumers will be led to believe that Tri-Star's products are associated with or are being offered, marketed, or endorsed by Eastern. Any such confusion or appearance of a connection between Tri-Star and Eastern or its marks necessary benefits Tri-Star and injures the image of Eastern and the valuable goodwill associated with its marks.



Thus, any use by Tri-Star of Eastern's marks in connection with the offering, marketing, promotion, or advertising of clothing or other goods constitutes an infringement of Eastern's valuable marks, as well as unfair competition and unlawful dilution. These actions entitle Eastern to injunctive relief against any further use by your company of its marks, as well as an award of monetary damages.

Therefore, on behalf of Eastern, we request that your company immediately cease, desist and refrain from any further use of the Eastern marks, including use of the marks in connection with the offering, marketing, promotion, or advertising of clothing and related products.

In addition, in order to reach an amicable settlement of Eastern's claims for damages, we request that you advise us of all products which you have sold, marketed or advertised bearing any of Eastern's marks, when these activities began, the number of such products sold, and the revenue received on those sales.

If you will comply with the foregoing, we are prepared to discuss an amicable resolution of Eastern's claims for monetary damages. Otherwise, however, it will be necessary for Eastern to take appropriate legal measures to protect its valuable trademark and trade name rights and seek full monetary, injunctive, and other legal remedies.

I hope that this matter can be resolved amicably and without the need to resort to legal proceedings. If you do not respond to us within five (5) business days, however, we will file for appropriate relief in the federal district court.

Sincerely yours,

HOLLAND & KNIGHT

Mitchell H. Stabbe

Mitchell H. Stabbe

Enclosures
cc: Rhonda Polk, Eastern Air Lines, Inc.

WAS-76421

Int. Cl.: 39

Prior U.S. Cl.: 105

Reg. No. 1,467,648

United States Patent and Trademark Office

Registered Dec. 1, 1987

SERVICE MARK
PRINCIPAL REGISTER

EASTERN

EASTERN AIR LINES, INC. (DELAWARE CORPORATION)
MIAMI INTERNATIONAL AIRPORT
MIAMI, FL 33148

FOR: TRANSPORTATION OF PASSENGERS BY AIR, IN CLASS 39 (U.S. CL. 105).

FIRST USE 11-0-1964; IN COMMERCE 11-0-1964.

OWNER OF U.S. REG. NOS. 858,391, 1,213,872, AND 1,285,593.

SER. NO. 639,093, FILED 1-12-1987.

AVIS FRAZIER-THOMAS, EXAMINING ATTORNEY

Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,285,593

Registered Jul. 10, 1984

SERVICE MARK

Principal Register

EASTERN AIR LINES

Eastern Air Lines, Inc. (Delaware corporation)
10 Rockefeller Plz.
New York, N.Y. 10020

For: TRANSPORTATION OF PERSONS BY AIR, in CLASS 39 (U.S. Cl. 105).

First use May 16, 1934; in commerce May 16, 1934.

No claim is made to the exclusive right to use "Air Lines", apart from the mark as shown.

Ser. No. 426,385, filed May 18, 1983.

CRAIG D. TAYLOR, Examiner

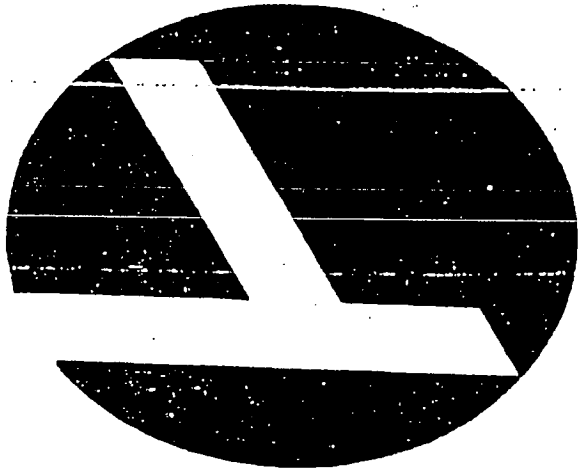
Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,490,543
Registered May 31, 1988

SERVICE MARK
PRINCIPAL REGISTER



EASTERN AIR LINES, INC. (DELAWARE CORPORATION)
MIAMI INTERNATIONAL AIRPORT
MIAMI, FL 33148

FOR: TRANSPORTATION OF PASSENGERS BY AIR, IN CLASS 39 (U.S. CL. 105).

FIRST USE 11-3-1964; IN COMMERCE 11-3-1964.

SER. NO. 684,172, FILED 9-11-1987.

CRAIG D. TAYLOR, EXAMINING ATTORNEY

Law Offices
HOLLAND & KNIGHT

A Partnership Including Professional Corporations

2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202
202-955-3000
FAX 202-955-5564

Atlanta
Fort Lauderdale
Jacksonville
Lakeland
Miami
Orlando
St. Petersburg
Tallahassee
Tampa
West Palm Beach

December 15, 1994

VIA FEDERAL EXPRESS

Sky's The Limit
7714 Apple Tree Circle
Orlando, Florida 32819

Re: Infringement of EASTERN AIR LINES Trademarks,
Our File No. 32055-23

Dear Sir/Madam:

This law firm represents Eastern Air Lines, Inc. ("Eastern"). Since 1934, Eastern has been engaged in the business of transportation of passengers and freight by air. Since that time, Eastern's air transport and related services have been identified by various federally registered marks, among which are the marks EASTERN, EASTERN AIR LINES, and the "airplane in oval" design mark. Copies of the U.S. Patent and Trademark Office registrations for these marks owned by Eastern are enclosed.

Although Eastern is in a process of reorganization and is not currently actively providing transportation services, it has not abandoned its valuable trademark rights. On the contrary, Eastern continues to vigorously protect those rights, and all of the marks appearing on the enclosed registrations remain in good standing as registered marks under federal law. Even subsequent to the suspension of transportation services by Eastern, the Patent and Trademark Office has recognized Eastern's rights in the trademark registrations and accepted affidavits to maintain the validity of those registrations.

It has come to our attention that your company is advertising and promoting the sale of watches, pins, patches, mugs, and other goods bearing one or more of Eastern's marks. Sky's The Limit's use of the Eastern marks dilutes the distinctive nature of those marks. It is likely to cause consumer confusion in that consumers will be led to believe that Sky's The Limit's products are associated with or are being offered, marketed, or endorsed by Eastern. Any such confusion or appearance of a connection between Sky's The Limit and Eastern or its marks necessary benefits your company and injures the image of Eastern and the valuable goodwill associated with its marks.

Thus, any use by Sky's The Limit of Eastern's marks in connection with the offering, marketing, promotion, or advertising of its goods constitutes an infringement of Eastern's valuable marks, as well as unfair competition and unlawful dilution. These actions entitle Eastern to injunctive relief against any further use by your company of its marks, as well as an award of monetary damages.

Therefore, on behalf of Eastern, we request that your company immediately cease, desist and refrain from any further use of the Eastern marks, including use of the marks in connection with the offering, marketing, promotion, or advertising of watches, mugs, patches, pins, or any other goods.

In addition, in order to reach an amicable settlement of Eastern's claims for damages, we request that you advise us of all products which you have sold, marketed or advertised bearing any of Eastern's marks, when these activities began, the number of such products sold, and the revenue received on those sales.

If you will comply with the foregoing, we are prepared to discuss an amicable resolution of Eastern's claims for monetary damages. Otherwise, however, it will be necessary for Eastern to take appropriate legal measures to protect its valuable trademark and trade name rights and seek full monetary, injunctive, and other legal remedies.

I hope that this matter can be resolved amicably and without the need to resort to legal proceedings. If you do not respond to us within five (5) business days, however, we will file for appropriate relief in the federal district court.

Sincerely yours,

HOLLAND & KNIGHT

Mitchell H. Stabbe

Mitchell H. Stabbe

Enclosures
cc: Rhonda Polk, Eastern Air Lines, Inc.

WAS-76415

Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,467,648

Registered Dec. 1, 1987

SERVICE MARK
PRINCIPAL REGISTER

EASTERN AIR LINES, INC. (DELAWARE CORPORATION)
MIAMI INTERNATIONAL AIRPORT
MIAMI, FL 33148

FOR: TRANSPORTATION OF PASSENGERS BY AIR, IN CLASS 39 (U.S. CL. 105).
FIRST USE 11-0-1964; IN COMMERCE 11-0-1964.

OWNER OF U.S. REG. NOS. 858,391, 1,213,872, AND 1,285,593.

SER. NO. 639,093, FILED 1-12-1987.

AVIS FRAZIER-THOMAS, EXAMINING ATTORNEY

Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,285,593
Registered Jul. 10, 1984

SERVICE MARK
Principal Register

EASTERN AIR LINES

Eastern Air Lines, Inc. (Delaware corporation)
10 Rockefeller Plz.
New York, N.Y. 10020

For: TRANSPORTATION OF PERSONS BY AIR, in CLASS 39 (U.S. Cl. 105).

First use May 16, 1934; in commerce May 16, 1934.

No claim is made to the exclusive right to use "Air Lines", apart from the mark as shown.

Ser. No. 426,385, filed May 18, 1983.

CRAIG D. TAYLOR, Examiner

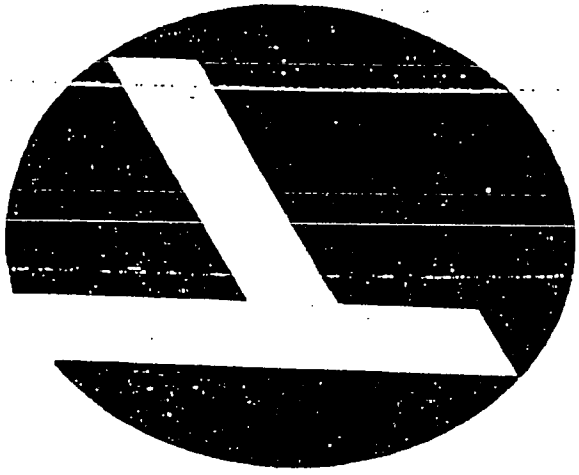
Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,490,543
Registered May 31, 1988

SERVICE MARK
PRINCIPAL REGISTER



EASTERN AIR LINES, INC. (DELAWARE CORPORATION)
MIAMI INTERNATIONAL AIRPORT
MIAMI, FL 33148

FOR: TRANSPORTATION OF PASSENGERS BY AIR, IN CLASS 39 (U.S. CL. 105).

FIRST USE 11-3-1964; IN COMMERCE 11-3-1964.

SER. NO. 684,172, FILED 9-11-1987.

CRAIG D. TAYLOR, EXAMINING ATTORNEY

Law Offices
HOLLAND & KNIGHT

A Partnership Including Professional Corporations

2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202
202-955-3000
FAX 202-955-5564

Atlanta
Fort Lauderdale
Jacksonville
Lakeland
Miami
Orlando
St. Petersburg
Tallahassee
Tampa
West Palm Beach

December 15, 1994

VIA FEDERAL EXPRESS

Daron Worldwide Trading, Inc.
844 Willis Avenue
Albertson, NY 11507

Re: Infringement of EASTERN AIR LINES Trademarks,
Our File No. 32055-23

Dear Sir/Madam:

This law firm represents Eastern Air Lines, Inc. ("Eastern"). Since 1934, Eastern has been engaged in the business of transportation of passengers and freight by air. Since that time, Eastern's air transport and related services have been identified by various federally registered marks, among which are the marks EASTERN, EASTERN AIR LINES, and the "airplane in oval" design mark. Copies of the U.S. Patent and Trademark Office registrations for these marks owned by Eastern are enclosed.

Although Eastern is in a process of reorganization and is not currently actively providing transportation services, it has not abandoned its valuable trademark rights. On the contrary, Eastern continues to vigorously protect those rights, and all of the marks appearing on the enclosed registrations remain in good standing as registered marks under federal law. Even subsequent to the suspension of transportation services by Eastern, the Patent and Trademark Office has recognized Eastern's rights in the trademark registrations and accepted affidavits to maintain the validity of those registrations.

It has come to our attention that Daron Worldwide Trading, Inc. ("Daron Trading") is advertising and promoting the sale of plastic model airplanes bearing one or more of Eastern's marks. Daron Trading's use of the Eastern marks dilutes the distinctive nature of those marks. It is likely to cause consumer confusion in that consumers will be led to believe that Daron Trading's products are associated with or are being offered, marketed, or endorsed by Eastern. Any such confusion or appearance of a connection between Daron Trading and Eastern or its marks necessarily benefits Daron Trading and injures the image of Eastern and the valuable goodwill associated with its marks.

Thus, any use by Daron Trading of Eastern's marks in connection with the offering, marketing, promotion, or advertising of its goods constitutes an infringement of Eastern's valuable marks, as well as unfair competition and unlawful dilution. These actions entitle Eastern to injunctive relief against any further use by your company of its marks, as well as an award of monetary damages.

Therefore, on behalf of Eastern, we request that your company immediately cease, desist and refrain from any further use of the Eastern marks, including use of the marks in connection with the offering, marketing, promotion, or advertising of model airplanes.

In addition, in order to reach an amicable settlement of Eastern's claims for damages, we request that you advise us of all products which you have sold, marketed or advertised bearing any of Eastern's marks, when these activities began, the number of such products sold, and the revenue received on those sales.

If you will comply with the foregoing, we are prepared to discuss an amicable resolution of Eastern's claims for monetary damages. Otherwise, however, it will be necessary for Eastern to take appropriate legal measures to protect its valuable trademark and trade name rights and seek full monetary, injunctive, and other legal remedies.

I hope that this matter can be resolved amicably and without the need to resort to legal proceedings. If you do not respond to us within five (5) business days, however, we will file for appropriate relief in the federal district court.

Sincerely yours,

HOLLAND & KNIGHT

Mitchell H. Stabbe

Mitchell H. Stabbe

Enclosures
cc: Rhonda Polk, Eastern Air Lines, Inc.

WAS-76295

Int. Cl.: 39

Prior U.S. Cl.: 105

Reg. No. 1,467,648

United States Patent and Trademark Office

Registered Dec. 1, 1987

SERVICE MARK
PRINCIPAL REGISTER

EASTERN AIR LINES, INC. (DELAWARE CORPORATION)
MIAMI INTERNATIONAL AIRPORT
MIAMI, FL 33148

FOR: TRANSPORTATION OF PASSENGERS BY AIR, IN CLASS 39 (U.S. CL. 105).
FIRST USE 11-0-1964; IN COMMERCE 11-0-1964.

OWNER OF U.S. REG. NOS. 858,391, 1,213,872, AND 1,285,593.

SER. NO. 639,093, FILED 1-12-1987.

AVIS FRAZIER-THOMAS, EXAMINING ATTORNEY

Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,285,593
Registered Jul. 10, 1984

SERVICE MARK
Principal Register

EASTERN AIR LINES

Eastern Air Lines, Inc. (Delaware corporation)
10 Rockefeller Plz.
New York, N.Y. 10020

For: TRANSPORTATION OF PERSONS BY AIR, in CLASS 39 (U.S. Cl. 105).

First use May 16, 1934; in commerce May 16, 1934.

No claim is made to the exclusive right to use "Air Lines", apart from the mark as shown.

Ser. No. 426,385, filed May 18, 1983.

CRAIG D. TAYLOR, Examiner

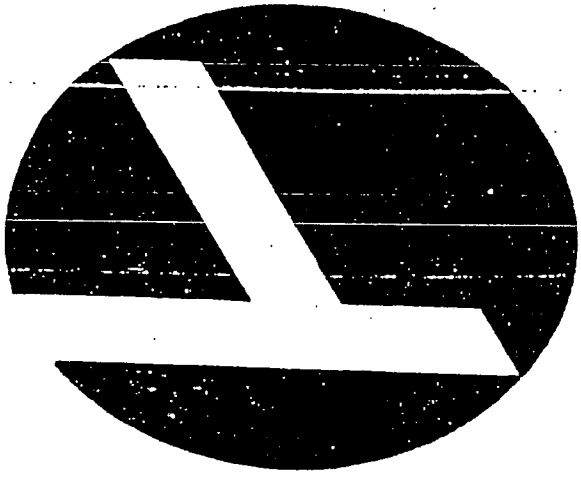
Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,490,543
Registered May 31, 1988

SERVICE MARK
PRINCIPAL REGISTER



EASTERN AIR LINES, INC. (DELAWARE CORPORATION)
MIAMI INTERNATIONAL AIRPORT
MIAMI, FL 33148

FOR: TRANSPORTATION OF PASSENGERS BY AIR, IN CLASS 39 (U.S. CL. 105).

FIRST USE 11-3-1964; IN COMMERCE 11-3-1964.

SER. NO. 684,172, FILED 9-11-1987.

CRAIG D. TAYLOR, EXAMINING ATTORNEY

Law Offices
HOLLAND & KNIGHT

2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202
202-955-3000
FAX 202-955-5564

A Partnership Including Professional Corporations

Atlanta
Fort Lauderdale
Jacksonville
Lakeland
Miami
Orlando
St. Petersburg
Tallahassee
Tampa
West Palm Beach

MITCHELL H. STABBE
202-457-5939

March 1, 1995

Mr. Ronald Marx
Daron Worldwide Trading, Inc.
844 Willis Avenue
Albertston, NY 11507

Re: Infringement of EASTERN AIR LINES Trademarks

Dear Mr. Marx:

We are in receipt of your response to our December 15, 1994, letter, which directed your company to cease and desist from any further use of Eastern's marks. You responded that the model airplanes bearing Eastern's marks and sold by your company were manufactured under a license agreement with a company by the name of "Wooster's."

Eastern has reviewed its files, and it has no record of any license agreement with "Wooster's" for the manufacture of model airplanes. If you have any documentation which reflects the existence of such a license agreement, please provide it to us.

We would like to resolve this matter amicably and would appreciate your cooperation in this regard. As we stated in our previous letter, Eastern intends to vigorously protect its trademark rights, and it will take whatever action is necessary to do so.

Sincerely,

HOLLAND & KNIGHT

Mitchell H. Stabbe

Mitchell H. Stabbe

WAS-87781

EASTERN AIR LINES INCC)RATED / MIAMI INTERNATIONAL AIRPORT / M MI, FLORIDA / 33148

111-8-00 : [illegible]

EASTERN

August 28, 1996

Via Telecopy (610) 277-7022

Mr. John C. Ruths
Seven Colonial Drive
Norristown, Pennsylvania 19401

Dear Mr. Ruths:

As promised during your telephone conference of August 27, 1996 with John Sicilian, Chairman and President of Eastern Airlines, we are writing to confirm your decision and agreement not to use the mark "EASTERN".

As you discussed with Mr. Sicilian, Eastern is the owner of certain marks registered with the United States Patent and Trademark Office. Eastern also has statory and common law rights in certain marks. Your use of "EASTERN" in your advertising and communications (covering all forms of media) is unlawful and should be discontinued immediately. We respectfully demand that you cease the use of all such marks and we appreciate your commitment to in fact stop using such marks.

Also, enclosed as Exhibit A is a short letter rescinding any solicitations made to advertising agencies relating to "EASTERN". Pursuant to your agreement, please insure that they are faxed to all recipients of such solicitations within the next 48 hours.

In concluding, this will confirm that you are not authorized to utilize any Eastern trademark or servicemark, including any variations thereof. If you have any questions, do not hesitate to contact me at (305) 873-5340.

Sincerely,

Ronald T. Bevans

Ronald T. Bevans, Jr.
Director, Legal Affairs

Eastern Air Lines, Inc.
1221 Brickell Avenue • Suite 1780
Miami, FL 33131-3259
(305) 536-2246

June 13, 2000

VIA AIRBORNE EXPRESS

Network Solutions, Inc.
505 Hammar Park Drive
Herndon, Virginia 22070

Re: **Domain Name Dispute – "EasternAirlines.com"**

Dear Sirs:

The undersigned is the authorized legal representative of Eastern Air Lines, Inc. ("Eastern") a Delaware corporation. In that context, Eastern desires to register the domain name "easternairlines.com". Eastern writes to dispute the registration and use of the domain name "EasternAirlines.com" by another party.

Specifically, Eastern has operated under the Eastern Airlines name since 1934. Eastern has a service mark, "Eastern Air Lines" registered on the Principal Register of the United States Patent and Trademark Office with an expiration date of July 10, 2004. Enclosed herewith are copies of the Service Mark and Certificate of Registration No. 1285593.

Eastern has become aware that the following individual has registered an "EasternAirlines.com" domain name with Network Solutions / InterNiC:

Luis Ramos
126 Broad Street
Newark, New Jersey 07104

Eastern hereby requests that Network Solutions place the above domain name in a "hold" status pursuant to your firm's dispute policy. Secondly, Eastern requests that Mr. Ramos be required to provide Proof of Ownership, if any, of his own Registered Mark. In light of Eastern's Service Mark registration and first use of the mark over sixty-four years ago, Eastern submits that Mr. Ramos cannot show a Registered Mark.

Therefore, Eastern requests that thirty days from Network Solutions' request to Mr. Ramos for proof of ownership, Network Solutions assist Mr. Ramos with the assignment of a new domain name.

Finally, any questions concerning this matter should be addressed to the undersigned at (305) 536-2246 ext. 230.

Sincerely,

Ronald T. Bevans, Jr.
Director, Legal Affairs

Enclosures

EASTERN

Eastern Air Lines, Inc.
1221 Brickell Avenue • Suite 1780
Miami, FL 33131-3259
(305) 536-2246

VIA AIRBORNE EXPRESS

July 18, 2000

9NET Avenue, Inc.
Concentric Network Corporation
110 Meadowlands Parkway
Secaucus, New Jersey 04196

RE: Easternairlines.com

Dear Sir:

The undersigned represents Eastern Air Lines, Inc. ("Eastern"), a Delaware corporation. Eastern has operated under its name since 1934 and is the owner of the Registered Service mark "Eastern Air Lines." A copy of the U.S. Patent and Trademark Office Certificate of Registration is enclosed for your convenient reference.

Eastern continues to vigorously protect its valuable trademark rights.

It is our understanding that Mr. Luis Ramos (a former employee of 9Net Avenue now employed by Concentric) registered "easternairlines.com" with Network Solutions, Inc. Mr. Ramos listed **9NetAvenue** as the hostmaster for the domain name. Eastern has directed Mr. Ramos to cease and desist further use and misappropriation of the Eastern Airlines servicemark. It appears that litigation will be necessary to impress upon Mr. Ramos the seriousness with which Eastern views this matter.

Eastern hereby demands that 9Net Avenue and Concentric Network Corporation terminate any involvement or assistance to Mr. Ramos (or his assigns) in continued use and misappropriation of the Eastern Airlines servicemark.

Should you have any questions in this regard, please feel free to contact me.

Sincerely,

Ronald T. Bevans, Jr.
Director, Legal Affairs

cc: Mr. Luis Ramos (via Airborne Express)
Mr. John Sicilian

EASTERN

Eastern Air Lines, Inc.
1221 Brickell Avenue • Suite 1780
Miami, FL 33131-3259
(305) 536-2246

October 31, 2001

The Airplane Shop
18 Passaic Avenue
Unit 6
Fairfield, New Jersey 07004-3887

RE: Eastern Air Lines, Inc.
Licensing Agreement

Dear Sirs:

The undersigned represents Eastern Air Lines, Inc. ("Eastern") a Delaware corporation and the owner of certain Federal Service Marks, including "Eastern Air Lines", the Eastern design logo and the "Eastern" name used in conjunction with the logo. Eastern retains all rights in and to the above Service Marks.

From industry sources and advertisements, Eastern has become aware that your firm is in the business of the manufacture, marketing and/or distribution of model aircraft bearing the names, designs and logos of commercial airlines. Eastern would like to offer your firm the opportunity to manufacture, market and sell model aircraft bearing the "Eastern Airlines" name, logo and marks.

Accordingly, we enclose a "License Agreement" for your review and signature. Only upon execution of the License Agreement will your firm be authorized to manufacture, market and sell products bearing the Eastern Service Marks.

Please execute and return to the undersigned the enclosed "License Agreement" which shall authorize your firm to produce, market and distribute products bearing the Eastern name and logo from November 1, 2001, pursuant to the terms set out therein.

In addition, Eastern recently has become aware that certain firms may have been producing and distributing model aircraft bearing the "Eastern" or "Eastern Airlines" name, mark or design. In the event that your firm is among that group, you are hereby directed to cease and desist from further production, sale or distribution of such products except under the terms set forth in the attached License Agreement. Please remit to Eastern a sum equal to 6 % of net sales of Eastern products sold by your firm during the period from January 1, 1994 through October 31, 2001.

Thank you for your cooperation in this regard.

Sincerely,

Ronald T. Bevans, Jr.
Director, Legal Affairs

Enclosure

EASTERN

Eastern Air Lines, Inc.
1221 Brickell Avenue • Suite 1780
Miami, FL 33131-3259
(305) 536-2246

March 10, 2003

Mr. Alan Wuen
C/O Mikerian Mercantile Ltd.
9616-45th Avenue
Edmonton, Alberta
Canada T6E 5Y9

RE: Eastern Air Lines, Inc.
Trademark Infringement

Dear Sir:

The undersigned represents Eastern Air Lines, Inc. ("Eastern") a Delaware corporation and the owner of certain Federal Service Marks, including "Eastern Air Lines", the Eastern design logo and the Eastern name in conjunction with the logo.

Eastern retains all rights in and to the above Service Marks.

Eastern recently has become aware that your firm may have been producing and distributing model aircraft bearing the "Eastern" or "Eastern Airlines" name, mark or design. You are hereby directed to cease and desist from further production, sale or distribution of such products.

Thank you for your cooperation in this regard.

Sincerely,

Ronald T. Bevans, Jr.
Director of Legal Affairs

EASTERN

Eastern Air Lines, Inc.
1221 Brickell Avenue • Suite 1780
Miami, FL 33131-3259
(305) 536-2246

March 10, 2003

Mr. Freddie Leung
C/O Dragon Models Ltd.
B1-10/F., 603-609 Castle Peak Road
Kong Nam Industrial Building.
Tsuen Wan, N.T., Hong Kong

RE: Eastern Air Lines, Inc.
Trademark Infringement

Dear Sir:

The undersigned represents Eastern Air Lines, Inc. ("Eastern") a Delaware corporation and the owner of certain Federal Service Marks, including "Eastern Air Lines", the Eastern design logo and the Eastern name in conjunction with the logo.

Eastern retains all rights in and to the above Service Marks.

Eastern recently has become aware that your firm may have been producing and distributing model aircraft bearing the "Eastern" or "Eastern Airlines" name, mark or design. You are hereby directed to cease and desist from further production, sale or distribution of such products.

Thank you for your cooperation in this regard.

Sincerely,

Ronald T. Bevans, Jr.
Director of Legal Affairs

EASTERN

Eastern Air Lines, Inc.
1221 Brickell Avenue • Suite 1780
Miami, FL 33131-3259
(305) 536-2246

March 10, 2003

Mr. Brian Wiklem
C/O Jet-X
P.O. Box 6039
San Mateo, CA 94403

RE: Eastern Air Lines, Inc.
Trademark Infringement

Dear Sir:

The undersigned represents Eastern Air Lines, Inc. ("Eastern") a Delaware corporation and the owner of certain Federal Service Marks, including "Eastern Air Lines", the Eastern design logo and the Eastern name in conjunction with the logo.

Eastern retains all rights in and to the above Service Marks.

Eastern recently has become aware that your firm may have been producing and distributing model aircraft bearing the "Eastern" or "Eastern Airlines" name, mark or design. You are hereby directed to cease and desist from further production, sale or distribution of such products.

Thank you for your cooperation in this regard.

Sincerely,

Ronald T. Bevans, Jr.
Director of Legal Affairs

EXHIBIT "G"

TRADEMARK LICENSING AGREEMENT

This Trademark Licensing Agreement ("Agreement") is made this 6th day of June 2000 by and between Eastern Air Lines, Inc., a Delaware Corporation, 1221 Brickell Avenue, Suite 1780, Miami, Florida 33131 ("Licensor") and Dragon Model Limited, a Hong Kong Corporation, B1-10F, Kong Nam Industrial Building, 603-609 Castle Peak Road, Tsuen Wan, N.T., Hong Kong ("Licensee").

WHEREAS, Licensor has used and is the owner of certain trademarks, trade names, service marks (and the goodwill associated therewith), including the service marks "Eastern Air Lines", the "Eastern" name in combination with design logo, and the design logo, standing alone, as set forth at Exhibit A to this Agreement (hereinafter the "Licensed Trademarks"); and

WHEREAS, Licensee wishes to use the Eastern trademarks in the United States on model aircraft produced and sold by Licensee; and

WHEREAS, Licensor is willing to license and allow Licensee to use the Eastern trademarks under the terms and conditions set forth in this Agreement.

NOW,THEREFORE, in consideration of the foregoing, the covenants hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF TRADEMARK LICENSE
   Licensor hereby grants to Licensee a nonexclusive, nontransferable license and right to use the Eastern Licensed Trademarks identified in Schedule A attached hereto (i) on the respective Products set forth in the Schedule B attached hereto ("Products"); and (ii) subject to the terms and conditions of this Agreement.

2. QUALITY CONTROL

2.1 Licensee shall apply the Licensed Trademarks only to Products which have been manufactured in accordance with the normal industry standards of quality and craftsmanship in materials, design, workmanship, use, advertising and promotion.

2.2 Licensor shall have the right at any time to conduct during regular business hours an examination of Products manufactured by Licensee (including those assembled or tested) at Licensee's facilities to determine compliance of such Products with the normal industry standards of quality and craftsmanship.

2.3 If at any time such Products shall, in the sole opinion of Licensor, fail to conform with normal industry standards of quality and craftsmanship in materials, design, workmanship, use, advertising, or promotion, Licensor or its authorized representative shall so notify Licensee. Upon such notification Licensee shall promptly cease to use the Licensed Trademarks on such Products and not sell such nonconforming Products until the standards of quality have been met to the satisfaction of the Licensor.

2.4 Prior to the start of series production, Licensee agrees to furnish to Licensor, the lithographs and at least three samples of Licensee's manufactured Product bearing the Licensed Trademarks for inspection to assure conformance of the Products with the normal industry standards of quality and craftsmanship. The transportation costs for shipment of the samples to Licensor or its designated location as well as the risk of loss and damage shall be borne by Licensee.

3. CONFIDENTIALITY OF INFORMATION AND USE RESTRICTION

Any and all information furnished to Licensee under this Agreement shall remain the property of Licensor and all information and any such copies shall be returned to Licensor upon request. Unless such

information was previously known to Licensee free of any obligation to keep it confidential or has been or is subsequently made public by Licensor, it shall be held in confidence and shall be used only for the purposes of this Agreement.

4. OWNERSHIP OF TRADEMARKS & NEGATION OF WARRANTIES

Licensee acknowledges that Licensor is the sole and exclusive owner of the Licensed Trademarks and the trademark and service mark registrations relating thereto. Licensee acknowledges that Licensor makes no warranties regarding ownership of any rights in or the validity of said Licensed Trademarks or that Licensee's use will not infringe any rights of third parties by using the Licensed Trademarks. Licensee acknowledges that this Agreement is a license, that Licensee is an independent contractor, and that there shall be no liability on the part of Licensor to any person or entity for any liability of or debts incurred by Licensee.

5. ANCILLARY USE OF LICENSED TRADEMARK BY Licensee

Licensee is further authorized to use Licensed Trademarks in Product-related marketing material including the use of the Licensed Trademarks in publicity, advertising, signs, product brochures, cartons and other forms of advertising subject to the terms and conditions of this Agreement.

6. CONDITIONS APPLICABLE TO APPEARANCE OF LICENSED TRADEMARK

6.1 Licensee shall comply with conditions set forth in writing from time-to-time by Licensor with respect to style, appearance and manner of use of the Licensed Trademarks. Any use of the Licensed Trademarks not specifically provided for by such conditions shall be adopted and used by Licensee only upon prior approval in writing by Licensor. Licensee shall mark the Products and/or marketing material bearing Licensed Trademarks, in a manner acceptable to Licensor to identify the licensed use under the Agreement and the proprietary rights of Licensor.

6.2 Prior to any application to equipment of said Licensed Trademarks any notice(s) or sample(s) of product identification shall be provided to Licensor for final review and approval. In addition, Representative specimens showing the Licensed Trademarks , notice(s), and their location on the Products shall be provided by Licensee to Licensor from time-to-time upon request.

6.3 Marketing material (whether print or electronic) which uses a licensed trademark or which refers to Licensor shall, at Licensor's option, be subject to prepublication review and approval with respect to, but not limited to, content, style, appearance, composition, timing and media.

7. PROTECTION OF Licensed Trademarks

7.1 Licensee admits the validity of, and agrees not to challenge the Licensed Trademarks. Licensee also agrees that any and all rights that may be acquired by the use of the Licensed Trademarks by Licensee shall inure to the sole benefit of Licensor. Licensee agrees to execute all papers reasonably requested by Licensor to effect further registration of, maintenance and renewal of the Licensed Trademarks and, where applicable, to record Licensee as a registered user of the Licensed Trademarks. Licensee shall not use the Licensed Trademarks or any part thereof as part of its corporate name nor use any name or mark confusingly similar to the Licensed Trademarks.

7.2 Licensee further agrees not to register in any country any name or mark resembling or confusingly similar to the Licensed Trademarks. If any application for registration is, or has been filed in any country by Licensee which relates to any name or mark which, in the sole opinion of Licensor, is confusingly similar, deceptive or misleading with respect to the Licensed Trademarks, Licensee shall take action to immediately affirmatively abandon any such application or registration or, at Licensor's sole discretion, assign it to Licensor. Licensee shall reimburse Licensor for all the costs and expenses of any opposition,

cancellation or related legal proceedings, including attorney's fees, instigated by Licensor or its authorized representative, in connection with any such registration or application.

7.3 In the event that Licensee learns of any infringement or threatened infringement of the Licensed trademarks, or any passing off, or that any third party alleges or claims that the Licensed trademarks are liable to cause deception or confusion to the public, or is liable to dilute or infringe any right, Licensee shall forthwith notify Licensor or its authorized representative giving particulars thereof and Licensee shall provide necessary information and assistance to Licensor or its authorized representatives in the event that Licensor decides that proceedings should be commenced or defended. Nothing herein, however, shall be deemed to require Licensor to enforce the Licensed Trademarks against others.

7.4 In the performance of this Agreement, Licensee shall comply with all applicable laws and regulations, and those laws and regulations particularly pertaining to the proper use and designation of trademarks in the countries. Should Licensee be or become aware of any applicable laws or regulations which are inconsistent with the provisions of this Agreement, Licensee shall promptly notify Licensor of such inconsistency. Licensor may, at its option, either waive the performance of such inconsistent provisions or terminate the license and rights granted hereunder.

8. AGREEMENT PERSONAL

The benefit of this Agreement shall be personal to Licensee who shall not without prior consent in writing of Licensor assign the same, nor part with any of its rights or obligations hereunder, nor grant or purport to grant any sublicense in respect to the Licensed Trademarks.

9. TERM AND TERMINATION

9.1 Unless sooner terminated in accordance with this Agreement, the Trademark license granted under this Agreement shall commence on the date of this Agreement, and shall continue in effect for a term of two years.

9.2 Upon termination or expiration of the license granted under this Agreement by operation of law or otherwise, all rights (including the right to use the Licensed Trademarks), privileges and obligations arising from this Agreement (except the confidentiality requirement in Section 3 and the obligations or limitations in Sections 4, 7 and 10 of this Agreement) shall cease to exist.

9.3 In the event of a significant breach of this Agreement by either party, the other party may terminate the license and rights granted to the breaching party under this agreement by giving written notice to such breaching party of termination and the basis for such termination. The license and rights granted under this Agreement shall terminate sixty (60) days after mailing of such written notice unless such breach is cured within such sixty (60) day period. The following matters shall be deemed to be significant breaches:

A. Licensee's failing to make any payment specified in Section 12; or

B. Licensee's using any trademarks, service marks, trade or business names contrary to the provisions hereof; or

C. Licensee's offering for sale Products bearing the Licensed Trademarks which Products fail to meet the quality standards set forth above; or

D. Licensee's refusing or neglecting a request by Licensor for sample Products, marketing material, advertising copy, stationery, or other materials, or reasonable access to the premises of Licensee for the purpose of Section 2; or

E. Licensee's using the Licensed Trademarks on Products or on marketing material or referencing Licensor, without conforming to standard or written instructions provided by Licensor; or

F. Licensee's assigning or purporting to assign any of the rights granted herein to others without the prior written approval of Licensor; or

G. Licensee's failing to maintain information furnished hereunder in confidence.

9.4 Licensor may, at its option, forthwith terminate the license and rights granted in this Agreement to Licensee to use the Licensed Trademarks upon the occurrence of any of the following events:

i. Licensee undergoing a substantial change of ownership or control (whether resulting from merger, acquisition, consolidation or otherwise); or

ii. An inconsistency occurring between any applicable laws and regulations and the provisions of this Agreement, as provided in Section 7 of this Agreement.

9.5 After the expiration or termination of the license and the rights granted under this Agreement, Licensee agrees to cease and discontinue completely further use of the Licensed Trademarks, except that in the event the license and rights granted under this Agreement expire after their full term without renewal, Licensee shall have a period of three (3) months from the date of such expiration to use up its supplies of marketing materials and Products on which the Licensed Trademarks has been applied prior to the date of expiration, provided that such use of the Licensed Trademarks shall otherwise be in accordance with the provisions of this Agreement.

10. INDEMNITY

10.1 Licensee shall defend, indemnify and hold Licensor and its authorized representatives, harmless against all claims, suits, costs, damages and expenses (including legal fees and disbursements) and liabilities incurred, claimed or sustained by third parties, arising out of or relating to (a) Licensee's improper or unauthorized use of the Licensed Trademarks or other failure to comply with the terms and conditions of this Agreement; (b) Licensee's negligence or willful misconduct in the use of the Licensed Trademarks or in the conduct of Licensee's business; (c) defects in the condition of, or any other aspect of any product or service provided by Licensee; and (d) any excise, export, use, sales or other taxes applicable to the Licensee's manufacture, marketing, use, distributionor sale of Products bearing the Licensed Trademarks.

10.2 Licensee shall maintain at its own expense in full force and effect at all times during which Products bearing the Licensed Trademarks are being sold, with a responsible insurance carrier acceptable to Licensor, at least a Two Hundred and Fifty Thousand Dollar Products liability insurance policy with respect to the Products. This insurance shall be for the benefit of Licensor and Licensee and licensee shall provide for at least ten days prior written notice to Licensor and Licensee of the cancellation of any substantial modification of the policy. This insurance may be obtained by naming Licensor as an additional insured on a policy which covers Licensee's products other than the Products.

10.3 Licensee shall at commencement, and then from time to time upon reasonable request by Licensor, promptly furnish or cause to be furnished to Licensor evidence in form and substance satisfactory to Licensor, of the maintenance of the insurance required by Section 10.2 above, including, but not limited to, originals or copies of policies, certificate of insurance (with applicable riders and endorsements) and proof of premium payments.

11 NOTICES

11.1 Any notices required or permitted to be given under this Agreement shall be by written communication by way of U.S. Mail, registered and postage prepaid, or express delivery service, or by confirmed facsimile message or personal delivery, and shall be directed by one party to the other at its respective address as follows unless otherwise provided for in this Agreement:

Licensor: Eastern Air Lines, Inc.
Attention: Legal Affairs
1221 Brickell Avenue
Suite 1780
Miami, Florida 33131
Facsimile: (305) 536-9935

Licensee: Dragon Models Limited
B1-10F, Kong Nam Industrial Building
603-609 Castle Peak Road
Tsuen Wan, N.T., Hong Kong

Either party may change its address to which notices or requests shall be directed by written notice to the other party, but until such change of address has been received any notice sent to the above addresses shall be effective upon mailing and shall be considered as having been received.

12. ROYALTIES

12.1 Throughout the term of this Agreement, and for any renewals or extensions of this Agreement, Licensee agrees to pay Licensor a royalty of 6% (six percent) of Net Sales of Products bearing the Licensed Trademarks.

12.2 "Net Sales" means gross sales less any returns and sales, use or value added taxes. Within thirty (30) days after the end of each semi-annual period ending June 30th or December 31st, commencing with the semiannual period during which this Agreement becomes effective, Licensee shall furnish to Licensor a statement in form reasonably acceptable to Licensor, certified by a responsible officer of Licensee, showing the Net Sales of Products bearing the Licensed Trademarks sold during such semi-annual period, and the amounts of royalty payable thereon. If Products bearing the Licensed Trademarks have not been sold during the semi-annual period, such fact shall be shown on such statement.

12.3 Within thirty (30) days of the end of each semi-annual period, Licensee shall, irrespective of its own business and accounting method, pay in United States dollars to Licensor the royalties payable for such semi-annual period as shown in the statement required by Section 12.3. Such statement, together with the payment for the fees shown therein, shall be sent to Licensor at its address as listed in 11.1

12.4 Overdue payments hereunder shall be subject to a late payment charge calculated at an annual rate of three (3%) percent over the prime rate (as posted in New York City) during the delinquency. If the amount of such charge exceeds the maximum permitted by law, such charge shall be reduced to such maximum.

12.5 Licensee shall pay any tax (and any related interest and penalties), however designated, imposed as a result of the existence or operation of this Agreement including any tax which Licensee is required to withhold or deduct from payments to Licensor, except any such tax constituting an income tax imposed upon Licensor by any governmental entity within the United States proper (the fifty (50) states and the District of Columbia), if such tax is allowable as a credit against U.S. income taxes of any such companies.

13. SECTION HEADINGS

The headings of the several Sections are inserted for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement.

14. ENTIRE AGREEMENT/ GOVERNING LAW

14.1 The provisions of this Agreement contain the entire Agreement between the parties relating to use by Licensee of Licensed Trademarks on Products, and on marketing material, manufactured or provided by Licensee, and supersede and cancel all prior provisions, negotiations, agreements and commitments (whether oral or in writing) with respect to the subject matter hereof. No rights are granted to use the Licensed Trademarks on such Licensee manufactured Products or marketing material except as specifically set forth in this Agreement; and this Agreement may not be released, discharged, abandoned, changed or modified in any manner except by an instrument in writing signed by the parties. In the event of any conflict between the provisions of this Agreement and provisions in any other agreement involving Licensee, the provisions of this Agreement shall prevail.

14.2 This Agreement shall be governed by and construed in accordance with the laws, other than choice of law rules, of the State of Florida, United States of America irrevocably consents to service of process, outside the territorial limits of said Courts, by registered mail, postage pre-paid, to the address set forth herein.

15. GOVERNMENTAL LICENSES, PERMITS AND APPROVALS

15.1 Licensee, at its expense, shall be responsible for obtaining and maintaining all licenses, permits and approvals which are required by all appropriate governmental authorities, with respect in this Agreement, and to comply with any requirements of such governmental authorities for the registration or recording of this Agreement and for making payments hereunder. Licensee shall furnish to Licensor written evidence from such governmental authorities of any such licenses, permits, clearances, authorizations, approvals, registration or recording.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed in duplicate originals by its duly authorized representatives on the respective dates entered below.

DRAGON MODELS LIMITED

By: [signature]

Name: Alain Wen

Title: Marketing Mgr.

Date: June 6, 2000

EASTERN AIR LINES, INC.

By: [signature]

John J. Sicilian
Chairman, President & Liquidating Agent

Date: 6/26/00

SCHEDULE A

Licensed Trademarks

Mark:	U.S. Registration No.:	Registration Date:
1. EASTERN AIR LINES	1,285,593	July 10, 1984
2. EASTERN and Design	1,467,648	December 1, 1987
3. Design Only (Logo)	1,490,543	May 31, 1988

SCHEDULE B

Products

Plastic and Die-cast Metal Aircraft Models, Scale 1:400, of the aircraft types operated by Licensor in its Fleet.

TRADEMARK LICENSING AGREEMENT

This Trademark Licensing Agreement ("Agreement") is made this 15 day of MARCH 2000 by and between Eastern Air Lines, Inc., a Delaware Corporation, 1221 Brickell Avenue, Suite 1780, Miami, Florida 33131 ("Licensor") and GeminiJets Incorporated / Airliners Distributing, a NEVADA Corporation, 6414 Windy Street, Las Vegas, Nevada 89119 ("Licensee").

WHEREAS, Licensor has used and is the owner of certain trademarks, trade names, service marks (and the goodwill associated therewith), including the service marks "Eastern Air Lines", the "Eastern" name in combination with design logo, and the design logo, standing alone, as set forth at Exhibit A to this Agreement (hereinafter the "Licensed Trademarks"); and

WHEREAS, Licensee wishes to use the Eastern trademarks in the United States on model aircraft produced and sold by Licensee; and

WHEREAS, Licensor is willing to license and allow Licensee to use the Eastern trademarks under the terms and conditions set forth in this Agreement.

NOW,THEREFORE, in consideration of the foregoing, the covenants hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF TRADEMARK LICENSE
   Licensor hereby grants to Licensee a nonexclusive, nontransferable license and right to use the Eastern Licensed Trademarks identified in Schedule A attached hereto (i) on the respective Products set forth in the Schedule B attached hereto ("Products"); and (ii) subject to the terms and conditions of this Agreement.

2. QUALITY CONTROL

2.1 Licensee shall apply the Licensed Trademarks only to Products which have been manufactured in accordance with the normal industry standards of quality and craftsmanship in materials, design, workmanship, use, advertising and promotion.

2.2 Licensor shall have the right at any time to conduct during regular business hours an examination of Products manufactured by Licensee (including those assembled or tested) at Licensee's facilities to determine compliance of such Products with the normal industry standards of quality and craftsmanship.

2.3 If at any time such Products shall, in the sole opinion of Licensor, fail to conform with normal industry standards of quality and craftsmanship in materials, design, workmanship, use, advertising, or promotion, Licensor or its authorized representative shall so notify Licensee. Upon such notification Licensee shall promptly cease to use the Licensed Trademarks on such Products and not sell such nonconforming Products until the standards of quality have been met to the satisfaction of the Licensor.

2.4 Prior to the start of series production, Licensee agrees to furnish to Licensor, the lithographs and at least three samples of Licensee's manufactured Product bearing the Licensed Trademarks for inspection to assure conformance of the Products with the normal industry standards of quality and craftsmanship. The transportation costs for shipment of the samples to Licensor or its designated location as well as the risk of loss and damage shall be borne by Licensee.

3. CONFIDENTIALITY OF INFORMATION AND USE RESTRICTION

Any and all information furnished to Licensee under this Agreement shall remain the property of Licensor and all information and any such copies shall be returned to Licensor upon request. Unless such

information was previously known to Licensee free of any obligation to keep it confidential or has been or is subsequently made public by Licensor, it shall be held in confidence and shall be used only for the purposes of this Agreement.

4. OWNERSHIP OF TRADEMARKS & NEGATION OF WARRANTIES

Licensee acknowledges that Licensor is the sole and exclusive owner of the Licensed Trademarks and the trademark and service mark registrations relating thereto. Licensee acknowledges that Licensor makes no warranties regarding ownership of any rights in or the validity of said Licensed Trademarks or that Licensee's use will not infringe any rights of third parties by using the Licensed Trademarks. Licensee acknowledges that this Agreement is a license, that Licensee is an independent contractor, and that there shall be no liability on the part of Licensor to any person or entity for any liability of or debts incurred by Licensee.

5. ANCILLARY USE OF LICENSED TRADEMARK BY Licensee

Licensee is further authorized to use Licensed Trademarks in Product-related marketing material including the use of the Licensed Trademarks in publicity, advertising, signs, product brochures, cartons and other forms of advertising subject to the terms and conditions of this Agreement.

6. CONDITIONS APPLICABLE TO APPEARANCE OF LICENSED TRADEMARK

6.1 Licensee shall comply with conditions set forth in writing from time-to-time by Licensor with respect to style, appearance and manner of use of the Licensed Trademarks. Any use of the Licensed Trademarks not specifically provided for by such conditions shall be adopted and used by Licensee only upon prior approval in writing by Licensor. Licensee shall mark the Products and/or marketing material bearing Licensed Trademarks, in a manner acceptable to Licensor to identify the licensed use under the Agreement and the proprietary rights of Licensor.

6.2 Prior to any application to equipment of said Licensed Trademarks any notice(s) or sample(s) of product identification shall be provided to Licensor for final review and approval. In addition, Representative specimens showing the Licensed Trademarks , notice(s), and their location on the Products shall be provided by Licensee to Licensor from time-to-time upon request.

6.3 Marketing material (whether print or electronic) which uses a licensed trademark or which refers to Licensor shall, at Licensor's option, be subject to prepublication review and approval with respect to, but not limited to, content, style, appearance, composition, timing and media.

7. PROTECTION OF Licensed Trademarks

7.1 Licensee admits the validity of, and agrees not to challenge the Licensed Trademarks. Licensee also agrees that any and all rights that may be acquired by the use of the Licensed Trademarks by Licensee shall inure to the sole benefit of Licensor. Licensee agrees to execute all papers reasonably requested by Licensor to effect further registration of, maintenance and renewal of the Licensed Trademarks and, where applicable, to record Licensee as a registered user of the Licensed Trademarks. Licensee shall not use the Licensed Trademarks or any part thereof as part of its corporate name nor use any name or mark confusingly similar to the Licensed Trademarks.

7.2 Licensee further agrees not to register in any country any name or mark resembling or confusingly similar to the Licensed Trademarks. If any application for registration is, or has been filed in any country by Licensee which relates to any name or mark which, in the sole opinion of Licensor, is confusingly similar, deceptive or misleading with respect to the Licensed Trademarks, Licensee shall take action to immediately affirmatively abandon any such application or registration or, at Licensor's sole discretion, assign it to Licensor. Licensee shall reimburse Licensor for all the costs and expenses of any opposition,

cancellation or related legal proceedings, including attorney's fees, instigated by Licensor or its authorized representative, in connection with any such registration or application.

7.3 In the event that Licensee learns of any infringement or threatened infringement of the Licensed trademarks, or any passing off, or that any third party alleges or claims that the Licensed trademarks are liable to cause deception or confusion to the public, or is liable to dilute or infringe any right, Licensee shall forthwith notify Licensor or its authorized representative giving particulars thereof and Licensee shall provide necessary information and assistance to Licensor or its authorized representatives in the event that Licensor decides that proceedings should be commenced or defended. Nothing herein, however, shall be deemed to require Licensor to enforce the Licensed Trademarks against others.

7.4 In the performance of this Agreement, Licensee shall comply with all applicable laws and regulations, and those laws and regulations particularly pertaining to the proper use and designation of trademarks in the countries. Should Licensee be or become aware of any applicable laws or regulations which are inconsistent with the provisions of this Agreement, Licensee shall promptly notify Licensor of such inconsistency. Licensor may, at its option, either waive the performance of such inconsistent provisions or terminate the license and rights granted hereunder.

8. AGREEMENT PERSONAL

The benefit of this Agreement shall be personal to Licensee who shall not without prior consent in writing of Licensor assign the same, nor part with any of its rights or obligations hereunder, nor grant or purport to grant any sublicense in respect to the Licensed Trademarks.

9. TERM AND TERMINATION

9.1 Unless sooner terminated in accordance with this Agreement, the Trademark license granted under this Agreement shall commence on the date of this Agreement, and shall continue in effect for a term of two years.

9.2 Upon termination or expiration of the license granted under this Agreement by operation of law or otherwise, all rights (including the right to use the Licensed Trademarks), privileges and obligations arising from this Agreement (except the confidentiality requirement in Section 3 and the obligations or limitations in Sections 4, 7 and 10 of this Agreement) shall cease to exist.

9.3 In the event of a significant breach of this Agreement by either party, the other party may terminate the license and rights granted to the breaching party under this agreement by giving written notice to such breaching party of termination and the basis for such termination. The license and rights granted under this Agreement shall terminate sixty (60) days after mailing of such written notice unless such breach is cured within such sixty (60) day period. The following matters shall be deemed to be significant breaches:

A. Licensee's failing to make any payment specified in Section 12; or

B. Licensee's using any trademarks, service marks, trade or business names contrary to the provisions hereof; or

C. Licensee's offering for sale Products bearing the Licensed Trademarks which Products fail to meet the quality standards set forth above; or

D. Licensee's refusing or neglecting a request by Licensor for sample Products, marketing material, advertising copy, stationery, or other materials, or reasonable access to the premises of Licensee for the purpose of Section 2; or

E. Licensee's using the Licensed Trademarks on Products or on marketing material or referencing Licensor, without conforming to standard or written instructions provided by Licensor; or

F. Licensee's assigning or purporting to assign any of the rights granted herein to others without the prior written approval of Licensor; or

G. Licensee's failing to maintain information furnished hereunder in confidence.

9.4 Licensor may, at its option, forthwith terminate the license and rights granted in this Agreement to Licensee to use the Licensed Trademarks upon the occurrence of any of the following events:

i. Licensee undergoing a substantial change of ownership or control (whether resulting from merger, acquisition, consolidation or otherwise); or

ii. An inconsistency occurring between any applicable laws and regulations and the provisions of this Agreement, as provided in Section 7 of this Agreement.

9.5 After the expiration or termination of the license and the rights granted under this Agreement, Licensee agrees to cease and discontinue completely further use of the Licensed Trademarks, except that in the event the license and rights granted under this Agreement expire after their full term without renewal, Licensee shall have a period of three (3) months from the date of such expiration to use up its supplies of marketing materials and Products on which the Licensed Trademarks has been applied prior to the date of expiration, provided that such use of the Licensed Trademarks shall otherwise be in accordance with the provisions of this Agreement.

10. INDEMNITY

10.1 Licensee shall defend, indemnify and hold Licensor and its authorized representatives, harmless against all claims, suits, costs, damages and expenses (including legal fees and disbursements) and liabilities incurred, claimed or sustained by third parties, arising out of or relating to (a) Licensee's improper or unauthorized use of the Licensed Trademarks or other failure to comply with the terms and conditions of this Agreement; (b) Licensee's negligence or willful misconduct in the use of the Licensed Trademarks or in the conduct of Licensee's business; (c) defects in the condition of, or any other aspect of any product or service provided by Licensee; and (d) any excise, export, use, sales or other taxes applicable to the Licensee's manufacture, marketing, use, distributionor sale of Products bearing the Licensed Trademarks.

10.2 Licensee shall maintain at its own expense in full force and effect at all times during which Products bearing the Licensed Trademarks are being sold, with a responsible insurance carrier acceptable to Licensor, at least a Two Hundred and Fifty Thousand Dollar Products liability insurance policy with respect to the Products. This insurance shall be for the benefit of Licensor and Licensee and licensee shall provide for at least ten days prior written notice to Licensor and Licensee of the cancellation of any substantial modification of the policy. This insurance may be obtained by naming Licensor as an additional insured on a policy which covers Licensee's products other than the Products.

10.3 Licensee shall at commencement, and then from time to time upon reasonable request by Licensor, promptly furnish or cause to be furnished to Licensor evidence in form and substance satisfactory to Licensor, of the maintenance of the insurance required by Section 10.2 above, including, but not limited to, originals or copies of policies, certificate of insurance (with applicable riders and endorsements) and proof of premium payments.

11 NOTICES

11.1 Any notices required or permitted to be given under this Agreement shall be by written communication by way of U.S. Mail, registered and postage prepaid, or express delivery service, or by confirmed facsimile message or personal delivery, and shall be directed by one party to the other at its respective address as follows unless otherwise provided for in this Agreement:

Licensor: Eastern Air Lines, Inc.
Attention: Legal Affairs
1221 Brickell Avenue
Suite 1780
Miami, Florida 33131
Facsimile: (305) 536-9935

Licensee: GeminiJets Incorporated / Airliners Distributing Inc.
6414 Windy Street
Las Vegas, Nevada 89119
Facsimile: (702) 914-8036

Either party may change its address to which notices or requests shall be directed by written notice to the other party, but until such change of address has been received any notice sent to the above addresses shall be effective upon mailing and shall be considered as having been received.

12. ROYALTIES

12.1 Throughout the term of this Agreement, and for any renewals or extensions of this Agreement, Licensee agrees to pay Licensor a royalty of 6% (six percent) of Net Sales of Products bearing the Licensed Trademarks.

12.2 "Net Sales" means gross sales less any returns and sales, use or value added taxes. Within thirty (30) days after the end of each semi-annual period ending June 30th or December 31st, commencing with the semiannual period during which this Agreement becomes effective, Licensee shall furnish to Licensor a statement in form reasonably acceptable to Licensor, certified by a responsible officer of Licensee, showing the Net Sales of Products bearing the Licensed Trademarks sold during such semi-annual period, and the amounts of royalty payable thereon. If Products bearing the Licensed Trademarks have not been sold during the semi-annual period, such fact shall be shown on such statement.

12.3 Within thirty (30) days of the end of each semi-annual period, Licensee shall, irrespective of its own business and accounting method, pay in United States dollars to Licensor the royalties payable for such semi-annual period as shown in the statement required by Section 12.3. Such statement, together with the payment for the fees shown therein, shall be sent to Licensor at its address as listed in 11.1

12.4 Overdue payments hereunder shall be subject to a late payment charge calculated at an annual rate of three (3%) percent over the prime rate (as posted in New York City) during the delinquency. If the amount of such charge exceeds the maximum permitted by law, such charge shall be reduced to such maximum.

12.5 Licensee shall pay any tax (and any related interest and penalties), however designated, imposed as a result of the existence or operation of this Agreement including any tax which Licensee is required to withhold or deduct from payments to Licensor, except any such tax constituting an income tax imposed upon Licensor by any governmental entity within the United States proper (the fifty (50) states and the District of Columbia), if such tax is allowable as a credit against U.S. income taxes of any such companies.

13. SECTION HEADINGS

The headings of the several Sections are inserted for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement.

14. ENTIRE AGREEMENT/ GOVERNING LAW

14.1 The provisions of this Agreement contain the entire Agreement between the parties relating to use by Licensee of Licensed Trademarks on Products, and on marketing material, manufactured or provided by Licensee, and supersede and cancel all prior provisions, negotiations, agreements and commitments (whether oral or in writing) with respect to the subject matter hereof. No rights are granted to use the Licensed Trademarks on such Licensee manufactured Products or marketing material except as specifically set forth in this Agreement; and this Agreement may not be released, discharged, abandoned, changed or modified in any manner except by an instrument in writing signed by the parties. In the event of any conflict between the provisions of this Agreement and provisions in any other agreement involving Licensee, the provisions of this Agreement shall prevail.

14.2 This Agreement shall be governed by and construed in accordance with the laws, other than choice of law rules, of the State of Florida, United States of America irrevocably consents to service of process, outside the territorial limits of said Courts, by registered mail, postage pre-paid, to the address set forth herein.

15. GOVERNMENTAL LICENSES, PERMITS AND APPROVALS

15.1 Licensee, at its expense, shall be responsible for obtaining and maintaining all licenses, permits and approvals which are required by all appropriate governmental authorities, with respect in this Agreement, and to comply with any requirements of such governmental authorities for the registration or recording of this Agreement and for making payments hereunder. Licensee shall furnish to Licensor written evidence from such governmental authorities of any such licenses, permits, clearances, authorizations, approvals, registration or recording.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed in duplicate originals by its duly authorized representatives on the respective dates entered below.

GEMINIJETS INCORPORATED / AIRLINERS DISTRIBUTING INC.

By: _____

Name: ELLIOT EPSTEIN

Title: PRESIDENT

Date: 3/15/00

EASTERN AIR LINES, INC.

By: _____

John J. Sicilian
Chairman, President & Liquidating Agent

Date: _____

SCHEDULE A

Licensed Trademarks

Mark:	U.S. Registration No.:	Registration Date:
1. EASTERN AIR LINES	1,285,593	July 10, 1984
2. EASTERN and Design	1,467,648	December 1, 1987
3. Design Only (Logo)	1,490,543	May 31, 1988

SCHEDULE B

Products

Plastic and Die-cast Metal Aircraft Models, Scale 1:400, of the aircraft types operated by Licensor in its Fleet.

LIMITED ROYALTY-FREE LICENSE AGREEMENT

LICENSOR: EASTERN AIRLINES, INC., 1221 Brickell Avenue, Suite 1780, Miami, FL 33131

LICENSEE: William L. Hirsch, 1709 Sycamore Avenue, N. Merrick, NY 11566

FOR GOOD AND SATISFACTORY CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, and subject to the provisions hereof, Licensor hereby grants to Licensee a non-exclusive royalty-free license to use the Marks in and in connection with the refurbishment and re-painting of Eastern Airlines L-1011 Aircraft ("the Aircraft") on the following terms and conditions:

1. Licensee shall have the right, but not the obligation to use the Marks in connection with the restoration of the Aircraft of model and type formerly operated by Eastern Air Lines, Inc.

2. The "Marks" consist of certain Servicemarks on the "Eastern Air Lines, Inc." name and design set forth at Schedule A hereto.

3. The reasonable costs incurred by Licensee in connection with the physical preparation of the Aircraft shall be borne by Licensee, and in no event shall Licensor be responsible for any such costs or expenses.

4. This License shall be effective from December 1, 2001 for a period of two (2) years and shall automatically renew for one-year terms after the expiration of two years herefrom. This License may be terminated at any time by Licensor upon sixty (60) days' written notice to such effect.

5. This License shall be royalty-free during the term hereof, provided that Licensee is not in breach of any material term and provided that Licensee is not using and has not used the Marks for the purpose of a profit-making enterprise (as determined by Licensor in its sole discretion).

6. Each party hereto agrees to indemnify and hold harmless the other party and its respective agents, representatives, associates, affiliates, predecessors, successors and assigns, parent and subsidiary corporations, and their officers, directors, and employees and each and all of them, of attorneys' fees and costs, arising out of the breach of any representation, warranties or undertakings contained in this License Agreement.

7. This License Agreement is binding upon and shall inure to the benefit of the respective licensees, successors, and assigns of the parties hereto. This agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and shall be governed by and construed in accordance with the laws of the state of Florida.

LICENSOR: EASTERN AIR LINES, INC.

By: _____ Date: November 27, 2001
Ronald T. Bevans, Jr.
Director, Legal Affairs

LICENSEE: WILLIAM L. HIRSCH

By: _____ Date: _____ 2001
William L. Hirsch

SCHEDULE A

SCHEDULE A

Licensed Trademarks

Mark:	U.S. Registration No.:	Registration Date:
1. EASTERN AIR LINES	1,285,593	July 10, 1984
2. EASTERN and Design	1,467,648	December 1, 1987
3. Design Only (Logo)	1,490,543	May 31, 1988

Nº 1285593

THE UNITED STATES OF AMERICA

CERTIFICATE OF REGISTRATION

This is to certify that the records of the Patent and Trademark Office show that an application was filed in said Office for registration of the Mark shown herein, a copy of said Mark and pertinent data from the Application being annexed hereto and made a part hereof,

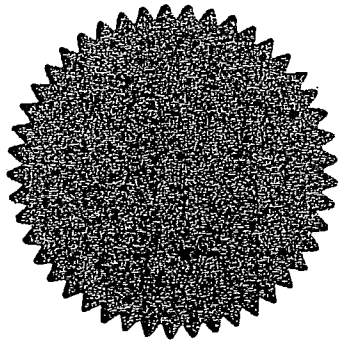
And there having been due compliance with the requirements of the law and with the regulations prescribed by the Commissioner of Patents and Trademarks,

Upon examination, it appeared that the applicant was entitled to have said Mark registered under the Trademark Act of 1946, and the said Mark has been duly registered this day in the Patent and Trademark Office on the

PRINCIPAL REGISTER

to the registrant named herein.

This registration shall remain in force for Twenty Years unless sooner terminated as provided by law.



In Testimony Whereof I have hereunto set my hand and caused the seal of the Patent and Trademark Office to be affixed this tenth day of July, 1984.

COMMISSIONER OF PATENTS AND TRADEMARKS

Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,285,593

Registered Jul. 10, 1984

SERVICE MARK
Principal Register

EASTERN AIR LINES

Eastern Air Lines, Inc. (Delaware corporation)
10 Rockefeller Plz.
New York, N.Y. 10020

For: TRANSPORTATION OF PERSONS BY AIR, in CLASS 39 (U.S. Cl. 105).

First use May 16, 1934; in commerce May 16, 1934.

No claim is made to the exclusive right to use "Air Lines", apart from the mark as shown.

Ser. No. 426,385, filed May 18, 1983.

CRAIG D. TAYLOR, Examiner

NOTICE

This Registration will be canceled by the Commissioner of Patents and Trademarks at the end of six years following the date of registration, unless within one year next preceding the expiration of such six years, the registrant files in the Patent and Trademark Office an affidavit showing that said mark is in use in Commerce or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark. A fee of $100.00 for each class must accompany the affidavit.

Nº 1467648

THE UNITED STATES OF AMERICA

CERTIFICATE OF REGISTRATION

This is to certify that the records of the Patent and Trademark Office show that an application was filed in said Office for registration of the Mark shown herein, a copy of said Mark and pertinent data from the Application being annexed hereto and made a part hereof,

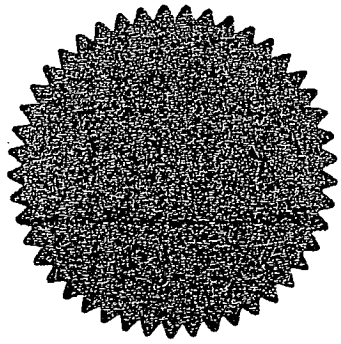
And there having been due compliance with the requirements of the law and with the regulations prescribed by the Commissioner of Patents and Trademarks,

Upon examination, it appeared that the applicant was entitled to have said Mark registered under the Trademark Act of 1946, and the said Mark has been duly registered this day in the Patent and Trademark Office on the

PRINCIPAL REGISTER

to the registrant named herein.

This registration shall remain in force for Twenty Years unless sooner terminated as provided by law.



In Testimony Whereof I have hereunto set my hand and caused the seal of the Patent and Trademark Office to be affixed this first day of December, 1987.

Commissioner of Patents and Trademarks

Int. Cl.: 39

Prior U.S. Cl.: 105

Reg. No. 1,467,648

United States Patent and Trademark Office

Registered Dec. 1, 1987

SERVICE MARK
PRINCIPAL REGISTER

EASTERN

EASTERN AIR LINES, INC. (DELAWARE CORPORATION)
MIAMI INTERNATIONAL AIRPORT
MIAMI, FL 33148

FOR: TRANSPORTATION OF PASSENGERS BY AIR, IN CLASS 39 (U.S. CL. 105).

FIRST USE 11-0-1964; IN COMMERCE 11-0-1964.

OWNER OF U.S. REG. NOS. 858,391, 1,213,872, AND 1,285,593.

SER. NO. 639,093, FILED 1-12-1987.

AVIS FRAZIER-THOMAS, EXAMINING ATTORNEY

NOTICE

*This Registration will be canceled by the Commissioner of Patents and Trademarks at the end of six years following the date of registration, unless within one year next preceding the expiration of such six years, the registrant files in the Patent and Trademark Office an affidavit showing that said mark is in use in Commerce or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark.**

**A fee for each class must accompany the affidavit. Consult 37 CFR § 2.6 to determine the appropriate fee at time of filing.*

Nº 1490543

THE UNITED STATES OF AMERICA

CERTIFICATE OF REGISTRATION

This is to certify that the records of the Patent and Trademark Office show that an application was filed in said Office for registration of the Mark shown herein, a copy of said Mark and pertinent data from the Application being annexed hereto and made a part hereof,

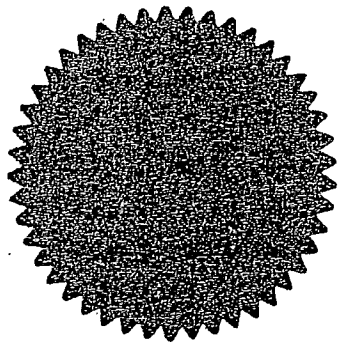
And there having been due compliance with the requirements of the law and with the regulations prescribed by the Commissioner of Patents and Trademarks,

Upon examination, it appeared that the applicant was entitled to have said Mark registered under the Trademark Act of 1946, and the said Mark has been duly registered this day in the Patent and Trademark Office on the

PRINCIPAL REGISTER

to the registrant named herein.

This registration shall remain in force for Twenty Years unless sooner terminated as provided by law.



In testimony Whereof I have hereunto set my hand and caused the seal of the Patent and Trademark Office to be affixed this thirty-first day of May, 1988.

Commissioner of Patents and Trademarks

Int. Cl.: 39

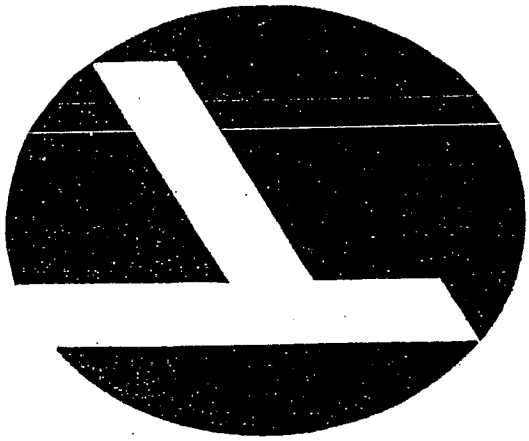
Prior U.S. Cl.: 105

Reg. No. 1,490,543

United States Patent and Trademark Office

Registered May 31, 1988

SERVICE MARK
PRINCIPAL REGISTER



EASTERN AIR LINES, INC. (DELAWARE CORPORATION)
MIAMI INTERNATIONAL AIRPORT
MIAMI, FL 33148

FOR: TRANSPORTATION OF PASSENGERS BY AIR, IN CLASS 39 (U.S. CL. 105).

FIRST USE 11-3-1964; IN COMMERCE 11-3-1964.

SER. NO. 684,172, FILED 9-11-1987.

CRAIG D. TAYLOR, EXAMINING ATTORNEY

NOTICE

*This Registration will be canceled by the Commissioner of Patents and Trademarks at the end of six years following the date of registration, unless within one year next preceding the expiration of such six years, the registrant files in the Patent and Trademark Office an affidavit showing that said mark is in use in Commerce or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark.**

**A fee for each class must accompany the affidavit. Consult 37 CFR § 2.6 to determine the appropriate fee at time of filing.*

TRADEMARK LICENSING AGREEMENT

This Trademark Licensing Agreement ("Agreement") is made this 24th day of January 2002 by and between Eastern Air Lines, Inc., a Delaware Corporation, 1221 Brickell Avenue, Suite 1780, Miami, Florida 33131 ("Licensor") and Herpa Minaturemodelle GmbH, Herrn Stephan Kuelgen, LeonrodstraBe 46-47, 90599 Dietenhofen, Germany("Licensee").

WHEREAS, Licensor has used and is the owner of certain trademarks, trade names, service marks (and the goodwill associated therewith), including the service marks "Eastern Air Lines", the "Eastern" name in combination with design logo, and the design logo, standing alone, as set forth at Exhibit A to this Agreement (hereinafter the "Licensed Trademarks"); and

WHEREAS, Licensee wishes to use the Eastern Trademarks in the United States on produced and sold by Licensee; and

WHEREAS, Licensor is willing to license and allow Licensee to use the Eastern Trademarks under the terms and conditions set forth in this Agreement.

NOW,THEREFORE, in consideration of the foregoing, the covenants hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF TRADEMARK LICENSE
   Licensor hereby grants to Licensee a nonexclusive, nontransferable license and right to use the Eastern Licensed Trademarks identified in Schedule A attached hereto (i) on the respective Products set forth in the Schedule B attached hereto ("Products"); and (ii) subject to the terms and conditions of this Agreement.

2. QUALITY CONTROL

2.1 Licensee shall apply the Licensed Trademarks only to Products which have been manufactured in accordance with the normal industry standards of quality and craftsmanship in materials, design, workmanship, use, advertising and promotion.

2.2 Licensor shall have the right at any time to conduct during regular business hours an examination of Products manufactured by Licensee (including those assembled or tested) at Licensee's facilities to determine compliance of such Products with the normal industry standards of quality and craftsmanship.

2.3 If at any time such Products shall, in the sole opinion of Licensor, fail to conform with normal industry standards of quality and craftsmanship in materials, design, workmanship, use, advertising, or promotion, Licensor or its authorized representative shall so notify Licensee. Upon such notification Licensee shall promptly cease to use the Licensed Trademarks on such Products and not sell such nonconforming Products until the standards of quality have been met to the satisfaction of the Licensor.

2.4 Prior to the start of series production, Licensee agrees to furnish to Licensor, the lithographs and at least three samples of Licensee's manufactured Product bearing the Licensed Trademarks for inspection to assure conformance of the Products with the normal industry standards of quality and craftsmanship. The transportation costs for shipment of the samples to Licensor or its designated location as well as the risk of loss and damage shall be borne by Licensee.

3. CONFIDENTIALITY OF INFORMATION AND USE RESTRICTION

Any and all information furnished to Licensee under this Agreement shall remain the property of Licensor and all information and any such copies shall be returned to Licensor upon request. Unless such

information was previously known to Licensee free of any obligation to keep it confidential or has been or is subsequently made public by Licensor, it shall be held in confidence and shall be used only for the purposes of this Agreement.

4. OWNERSHIP OF TRADEMARKS & NEGATION OF WARRANTIES

Licensee acknowledges that Licensor is the sole and exclusive owner of the Licensed Trademarks and the trademark and service mark registrations relating thereto. Licensee acknowledges that Licensor makes no warranties regarding ownership of any rights in or the validity of said Licensed Trademarks or that Licensee's use will not infringe any rights of third parties by using the Licensed Trademarks. Licensee acknowledges that this Agreement is a license, that Licensee is an independent contractor, and that there shall be no liability on the part of Licensor to any person or entity for any liability of or debts incurred by Licensee.

5. ANCILLARY USE OF LICENSED TRADEMARK BY LICENSEE

Licensee is further authorized to use Licensed Trademarks in Product-related marketing material including the use of the Licensed Trademarks in publicity, advertising, signs, product brochures, cartons and other forms of advertising subject to the terms and conditions of this Agreement.

6. CONDITIONS APPLICABLE TO APPEARANCE OF LICENSED TRADEMARK

6.1 Marketing material (whether print or electronic) which uses a licensed trademark or which refers to Licensor shall, at Licensor's option, be subject to prepublication review and approval with respect to, but not limited to, content, style, appearance, composition, timing and media.

7. PROTECTION OF LICENSED TRADEMARKS

7.1 Licensee admits the validity of, and agrees not to challenge the Licensed Trademarks. Licensee also agrees that any and all rights that may be acquired by the use of the Licensed Trademarks by Licensee shall inure to the sole benefit of Licensor. Licensee agrees to execute all papers reasonably requested by Licensor to effect further registration of, maintenance and renewal of the Licensed Trademarks and, where applicable, to record Licensee as a registered user of the Licensed Trademarks. Licensee shall not use the Licensed Trademarks or any part thereof as part of its corporate name nor use any name or mark confusingly similar to the Licensed Trademarks.

7.2 Licensee further agrees not to register in any country any name or mark resembling or confusingly similar to the Licensed Trademarks. If any application for registration is, or has been filed in any country by Licensee which relates to any name or mark which, in the sole opinion of Licensor, is confusingly similar, deceptive or misleading with respect to the Licensed Trademarks, Licensee shall take action to immediately affirmatively abandon any such application or registration or, at Licensor's sole discretion, assign it to Licensor. Licensee shall reimburse Licensor for all the costs and expenses of any opposition, cancellation or related legal proceedings, including attorney's fees, instigated by Licensor or its authorized representative, in connection with any such registration or application.

7.3 In the event that Licensee learns of any infringement or threatened infringement of the Licensed trademarks, or any passing off, or that any third party alleges or claims that the Licensed trademarks are liable to cause deception or confusion to the public, or is liable to dilute or infringe any right, Licensee shall forthwith notify Licensor or its authorized representative giving particulars thereof and Licensee shall provide necessary information and assistance to Licensor or its authorized representatives in the event that Licensor decides that proceedings should be commenced or defended. Nothing herein, however, shall be deemed to require Licensor to enforce the Licensed Trademarks against others.

7.4 In the performance of this Agreement, Licensee shall comply with all applicable laws and regulations, and those laws and regulations particularly pertaining to the proper use and designation of trademarks in the countries. Should Licensee be or become aware of any applicable laws or regulations which are inconsistent with the provisions of this Agreement, Licensee shall promptly notify Licensor of such inconsistency. Licensor may, at its option, either waive the performance of such inconsistent provisions or terminate the license and rights granted hereunder.

8. AGREEMENT PERSONAL

The benefit of this Agreement shall be personal to Licensee who shall not without prior consent in writing of Licensor assign the same, nor part with any of its rights or obligations hereunder, nor grant or purport to grant any sublicense in respect to the Licensed Trademarks.

9. TERM AND TERMINATION

9.1 Unless sooner terminated in accordance with this Agreement, the Trademark License granted under this Agreement shall commence on February 1, 2002 and shall continue in effect for a term of two (2) years.

9.2 In the event of a significant breach of this Agreement by either party, the other party may terminate the license and rights granted to the breaching party under this agreement by giving written notice to such breaching party of termination and the basis for such termination. The license and rights granted under this Agreement shall terminate ten (10) days after mailing of such written notice unless such breach is cured within such ten (10) day period. The following matters shall be deemed to be significant breaches:

A. Licensee's using any trademarks, service marks, trade or business names contrary to the provisions hereof; or

B. Licensee's refusing or neglecting a request by Licensor for sample Products, marketing material, advertising copy, stationery, or other materials, or reasonable access to the premises of Licensee for the purpose of Section 2; or

C. Licensee's using the Licensed Trademarks on Products or on marketing material or referencing Licensor, without conforming to standard or written instructions provided by Licensor; or

D. Licensee's assigning or purporting to assign any of the rights granted herein to others without the prior written approval of Licensor; or

E. Licensee's failing to maintain information furnished hereunder in confidence.

9.3 Licensor may, at its option, forthwith terminate the license and rights granted in this Agreement to Licensee to use the Licensed Trademarks upon the occurrence of any of the following events:

i. Licensee undergoing a substantial change of ownership or control (whether resulting from merger, acquisition, consolidation or otherwise); or

ii. An inconsistency occurring between any applicable laws and regulations and the provisions of this Agreement, as provided in Section 7 of this Agreement.

9.4 After the expiration or termination of the license and the rights granted under this Agreement, Licensee agrees to cease and discontinue completely further use of the Licensed Trademarks, except that in the event the license and rights granted under this Agreement expire after their full term without renewal, Licensee shall have a period of three (3) months from the date of such expiration to use up its supplies of marketing materials and Products on which the Licensed Trademarks has been applied prior to the date of

expiration, provided that such use of the Licensed Trademarks shall otherwise be in accordance with the provisions of this Agreement.

10. INDEMNITY

10.1 Licensee shall defend, indemnify and hold Licensor and its authorized representatives, harmless against all claims, suits, costs, damages and expenses (including legal fees and disbursements) and liabilities incurred, claimed or sustained by third parties, arising out of or relating to (a) Licensee's improper or unauthorized use of the Licensed Trademarks or other failure to comply with the terms and conditions of this Agreement; (b) Licensee's negligence or willful misconduct in the use of the Licensed Trademarks or in the conduct of Licensee's business; (c) defects in the condition of, or any other aspect of any product or service provided by Licensee; and (d) any excise, export, use, sales or other taxes applicable to the Licensee's manufacture, marketing, use, distributionor sale of Products bearing the Licensed Trademarks.

11 NOTICES

11.1 Any notices required or permitted to be given under this Agreement shall be by written communication by way of U.S. Mail, registered and postage prepaid, or express delivery service, or by confirmed facsimile message or personal delivery, and shall be directed by one party to the other at its respective address as follows unless otherwise provided for in this Agreement:

Licensor: Eastern Air Lines, Inc.
Attention: Legal Affairs
1221 Brickell Avenue
Suite 1780
Miami, Florida 33131
Telephone: (305) 536-2246
Facsimile: (305) 536-9935

Licensee: Herpa Minaturemodelle GmbH
Herrn Stephan Kuelgen
LeonrodstraBe 46-47
90599 Dietenhofen, German
09824/951-00
09824/951-100

Either party may change its address to which notices or requests shall be directed by written notice to the other party, but until such change of address has been received any notice sent to the above addresses shall be effective upon mailing and shall be considered as having been received.

12. ROYALTIES

12.1 Throughout the term of this Agreement, and for any renewals or extensions of this Agreement, Licensee agrees to pay Licensor a royalty of 6% (six percent) of Net Sales of Products bearing the Licensed Trademarks.

12.2 "Net Sales" means gross sales less any returns and sales, use or value added taxes. Upon termination of this Agreement, Licensee shall furnish to Licensor a statement in form reasonably acceptable to Licensor, certified by a responsible officer of Licensee, showing the Net Sales of Products bearing the Licensed Trademarks sold during the term, and the amounts of royalty payable thereon. If Products

bearing the Licensed Trademarks have not been sold during the term, such fact shall be shown on such statement.

12.3 Licensee shall calculate and remit to the address in Section 11 the royalty payments on a quarterly basis no later than the fifteenth day following the end of the preceding calendar quarter ("Due Date"). For the avoidance of doubt, the four quarterly Due Dates are April 15, July 15, October 15 and January 15 of each year.

12.4 An overdue payment hereunder shall be subject to a late payment charge calculated at an annual rate of eighteen (18%) percent during the delinquency. If the amount of such charge exceeds the maximum permitted by law, such charge shall be reduced to such maximum.

12.5 Licensee shall pay any tax (and any related interest and penalties), however designated, imposed as a result of the existence or operation of this Agreement including any tax which Licensee is required to withhold or deduct from payments to Licensor, except any such tax constituting an income tax imposed upon Licensor by any governmental entity within the United States proper (the fifty (50) states and the District of Columbia), if such tax is allowable as a credit against U.S. income taxes of any such companies.

13. SECTION HEADINGS

The headings of the several Sections are inserted for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement.

14. ENTIRE AGREEMENT/ GOVERNING LAW

14.1 The provisions of this Agreement contain the entire Agreement between the parties relating to use by Licensee of Licensed Trademarks on Products, and on marketing material, manufactured or provided by Licensee, and supersede and cancel all prior provisions, negotiations, agreements and commitments (whether oral or in writing) with respect to the subject matter hereof. No rights are granted to use the Licensed Trademarks on such Licensee manufactured Products or marketing material except as specifically set forth in this Agreement; and this Agreement may not be released, discharged, abandoned, changed or modified in any manner except by an instrument in writing signed by the parties. In the event of any conflict between the provisions of this Agreement and provisions in any other agreement involving Licensee, the provisions of this Agreement shall prevail.

14.2 This Agreement shall be governed by and construed in accordance with the laws, other than choice of law rules, of the State of Florida, United States of America irrevocably consents to service of process, outside the territorial limits of said Courts, by registered mail, postage pre-paid, to the address set forth herein.

[Remainder of Page Intentionally Left Blank]

15. GOVERNMENTAL LICENSES, PERMITS AND APPROVALS

15.1 Licensee, at its expense, shall be responsible for obtaining and maintaining all licenses, permits and approvals which are required by all appropriate governmental authorities, with respect in this Agreement, and to comply with any requirements of such governmental authorities for the registration or recording of this Agreement and for making payments hereunder. Licensee shall furnish to Licensor written evidence from such governmental authorities of any such licenses, permits, clearances, authorizations, approvals, registration or recording.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed in duplicate originals by its duly authorized representatives on the respective dates entered below.

HERPA MINATUREMODELLE GMBH

By: _____

Name: _____

Title: _____

Date: _____

EASTERN AIR LINES, INC.

By: Ronald T. Bevans, Jr.

Ronald T. Bevans, Jr.
Director, Legal Affairs

Date: 24 January 2002

SCHEDULE A

Licensed Trademarks

Mark:	U.S. Registration No.:	Registration Date:
1. EASTERN AIR LINES	1,285,593	July 10, 1984
2. EASTERN and Design	1,467,648	December 1, 1987
3. Design Only (Logo)	1,490,543	May 31, 1988

SCHEDULE B

Products:

Model Aircraft

Territory:

Worldwide Distribution

TRADEMARK LICENSING AGREEMENT

This Trademark Licensing Agreement ("Agreement") is made this 15th day of February 2004 by and between Eastern Air Lines, Inc., a Delaware Corporation, 1221 Brickell Avenue, Suite 1540, Miami, Florida 33131 ("Licensor") and Livery Lighting, a sole proprietorship, 26007 Quiet Drive, San Antonio, TX 78258 ("Licensee").

WHEREAS, Licensor has used and is the owner of certain trademarks, trade names, service marks (and the goodwill associated therewith), including the service marks "Eastern Air Lines", the "Eastern" name in combination with design logo, and the design logo, standing alone, as set forth at Exhibit A to this Agreement (hereinafter the "Licensed Trademarks"); and

WHEREAS, Licensee wishes to use the Eastern Trademarks in the United States on products produced and sold by Licensee; and

WHEREAS, Licensor is willing to license and allow Licensee to use the Eastern Trademarks under the terms and conditions set forth in this Agreement.

NOW,THEREFORE, in consideration of the foregoing, the covenants hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF TRADEMARK LICENSE

Licensor hereby grants to Licensee a nonexclusive, nontransferable license and right to use the Eastern Licensed Trademarks identified in Schedule A attached hereto (i) only on the respective Products set forth in the Schedule B attached hereto ("Products"); and (ii) subject to the terms and conditions of this Agreement.

2. QUALITY CONTROL

2.1 Licensee shall apply the Licensed Trademarks only to Products which have been manufactured in accordance with the normal industry standards of quality and craftsmanship in materials, design, workmanship, use, advertising and promotion.

2.2 Licensor shall have the right at any time to conduct during regular business hours an examination of Products manufactured by Licensee (including those assembled or tested) at Licensee's facilities to determine compliance of such Products with the normal industry standards of quality and craftsmanship.

2.3 If at any time such Products shall, in the sole opinion of Licensor, fail to conform with normal industry standards of quality and craftsmanship in materials, design, workmanship, use, advertising, or promotion, Licensor or its authorized representative shall so notify Licensee. Upon such notification Licensee shall promptly cease to use the Licensed Trademarks on such Products and not sell such nonconforming Products until the standards of quality have been met to the satisfaction of the Licensor.

2.4 Prior to the start of series production, Licensee agrees to furnish to Licensor, two samples of Licensee's manufactured Product bearing the Licensed Trademarks for inspection to assure conformance of the Products with the normal industry standards of quality and craftsmanship. The

transportation costs for shipment of the samples to Licensor or its designated location as well as the risk of loss and damage shall be borne by Licensee.

3. CONFIDENTIALITY OF INFORMATION AND USE RESTRICTION

Any and all information furnished to Licensee under this Agreement shall remain the property of Licensor and all information and any such copies shall be returned to Licensor upon request. Unless such information was previously known to Licensee free of any obligation to keep it confidential or has been or is subsequently made public by Licensor, it shall be held in confidence and shall be used only for the purposes of this Agreement.

4. OWNERSHIP OF TRADEMARKS & NEGATION OF WARRANTIES

Licensee acknowledges that Licensor is the sole and exclusive owner of the Licensed Trademarks and the trademark and service mark registrations relating thereto. Licensee acknowledges that Licensor makes no warranties regarding ownership of any rights in or the validity of said Licensed Trademarks or that Licensee's use will not infringe any rights of third parties by using the Licensed Trademarks. Licensee acknowledges that this Agreement is a license, that Licensee is an independent contractor, and that there shall be no liability on the part of Licensor to any person or entity for any liability of or debts incurred by Licensee.

5. ANCILLARY USE OF LICENSED TRADEMARK BY LICENSEE

Licensee is further authorized to use Licensed Trademarks in Product-related marketing material including the use of the Licensed Trademarks in publicity, advertising, signs, product brochures, cartons and other forms of advertising subject to the terms and conditions of this Agreement.

6. CONDITIONS APPLICABLE TO APPEARANCE OF LICENSED TRADEMARK

6.1 Marketing material (whether print or electronic) which uses a licensed trademark or which refers to Licensor shall, at Licensor's option, be subject to prepublication review and approval with respect to, but not limited to, content, style, appearance, composition, timing and media.

7. PROTECTION OF LICENSED TRADEMARKS

7.1 Licensee admits the validity of, and agrees not to challenge the Licensed Trademarks. Licensee also agrees that any and all rights that may be acquired by the use of the Licensed Trademarks by Licensee shall inure to the sole benefit of Licensor. Licensee agrees to execute all papers reasonably requested by Licensor to effect further registration of, maintenance and renewal of the Licensed Trademarks and, where applicable, to record Licensee as a registered user of the Licensed Trademarks. Licensee shall not use the Licensed Trademarks or any part thereof as part of its corporate name nor use any name or mark confusingly similar to the Licensed Trademarks.

7.2 Licensee further agrees not to register in any country any name or mark resembling or confusingly similar to the Licensed Trademarks. If any application for registration is, or has been filed in any country by Licensee which relates to any name or mark which, in the sole opinion of Licensor, is confusingly similar, deceptive or misleading with respect to the Licensed Trademarks, Licensee shall take action to immediately affirmatively abandon any such application or registration or, at Licensor's sole discretion, assign it to Licensor. Licensee shall reimburse Licensor for all the costs and expenses of any opposition, cancellation or related legal proceedings, including attorney's fees, instigated by Licensor or its authorized representative, in connection with any such registration or application.

7.3 In the event that Licensee learns of any infringement or threatened infringement of the Licensed trademarks, or any passing off, or that any third party alleges or claims that the Licensed trademarks are liable to cause deception or confusion to the public, or is liable to dilute or infringe any right, Licensee shall forthwith notify Licensor or its authorized representative giving particulars thereof and Licensee shall provide necessary information and assistance to Licensor or its authorized representatives in the event that Licensor decides that proceedings should be commenced or defended. Nothing herein, however, shall be deemed to require Licensor to enforce the Licensed Trademarks against others.

7.4 In the performance of this Agreement, Licensee shall comply with all applicable laws and regulations, and those laws and regulations particularly pertaining to the proper use and designation of trademarks in the countries. Should Licensee be or become aware of any applicable laws or regulations which are inconsistent with the provisions of this Agreement, Licensee shall promptly notify Licensor of such inconsistency. Licensor may, at its option, either waive the performance of such inconsistent provisions or terminate the license and rights granted hereunder.

8. AGREEMENT PERSONAL

The benefit of this Agreement shall be personal to Licensee who shall be prohibited from assignment of the same. Licensee may not part with its rights or obligations hereunder, nor grant or purport to grant any sublicense in respect to the Licensed Trademarks.

9. TERM AND TERMINATION

9.1 Unless sooner terminated in accordance with this Agreement, the Trademark License granted under this Agreement shall commence on the date of this Agreement and shall continue in effect for a term of two years.

9.2 In the event of a significant breach of this Agreement by either party, the other party may terminate the license and rights granted to the breaching party under this agreement by giving written notice to such breaching party of termination and the basis for such termination. The license and rights granted under this Agreement shall terminate ten (10) days after mailing of such written notice unless such breach is cured within such ten (10) day period. The following matters shall be deemed to be significant breaches:

A. Licensee's using any trademarks, service marks, trade or business names contrary to the provisions hereof; or

B. Licensee's refusing or neglecting a request by Licensor for sample Products, marketing material, advertising copy, stationery, or other materials, or reasonable access to the premises of Licensee for the purpose of Section 2; or

C. Licensee's using the Licensed Trademarks on Products or on marketing material or referencing Licensor, without conforming to standard or written instructions provided by Licensor; or

D. Licensee's assigning or purporting to assign any of the rights granted herein to others without the prior written approval of Licensor; or

E. Licensee's failing to maintain information furnished hereunder in confidence.

10. INDEMNITY

10.1 Licensee shall defend, indemnify and hold Licensor and its authorized representatives, harmless against all claims, suits, costs, damages and expenses (including legal fees and disbursements) and liabilities incurred, claimed or sustained by third parties, arising out of or relating to (a) Licensee's improper or unauthorized use of the Licensed Trademarks or other failure to comply with the terms and conditions of this Agreement; (b) Licensee's negligence or willful misconduct in the use of the Licensed Trademarks or in the conduct of Licensee's business; (c) defects in the condition of, or any other aspect of any product or service provided by Licensee; and (d) any excise, export, use, sales or other taxes applicable to the Licensee's manufacture, marketing, use, distributionor sale of Products bearing the Licensed Trademarks.

11 NOTICES

11.1 Any notices required or permitted to be given under this Agreement shall be by written communication by way of U.S. Mail, registered and postage prepaid, or express delivery service, or by confirmed facsimile message or personal delivery, and shall be directed by one party to the other at its respective address as follows unless otherwise provided for in this Agreement:

Licensor: Eastern Air Lines, Inc.
Ronald T. Bevans, Jr.
Attention: Legal Affairs
P.O. Box 310010
Miami, Florida 33231-0010
Telephone: (305) 374-7535
Facsimile: (305) 374-9869
Email: Rbevans@oasiscorp.com

Licensee: Stephen Stehle
Livery Lighting
26007 Quiet Drive
San Antonio, TX 78258
Telephone: (210) 859-8965
Email: scstehle@satx.rr.com

Either party may change its address to which notices or requests shall be directed by written notice to the other party, but until such change of address has been received any notice sent to the above addresses shall be effective upon mailing and shall be considered as having been received.

12. ROYALTIES

12.1 Throughout the term of this Agreement, and for any renewals or extensions of this Agreement, Licensee agrees to pay Licensor a royalty of 5% (five percent) of Net Sales of Products bearing the Licensed Trademarks.

12.2 "Net Sales" means gross sales less any returns and sales, use or value added taxes. Upon termination of this Agreement, Licensee shall furnish to Licensor a statement in form reasonably

acceptable to Licensor, certified by a responsible officer of Licensee, showing the Net Sales of Products bearing the Licensed Trademarks sold during the term, and the amounts of royalty payable thereon. If Products bearing the Licensed Trademarks have not been sold during the term, such fact shall be shown on such statement.

12.3 Payment shall be made biannually on the 10th day of January and June for prior 6 month period. An overdue payment hereunder shall be subject to a late payment charge calculated at an annual rate of twelve (12%) percent. Payment shall be accompanied by a sales report reflecting prior 6 months' sales of product.

12.4 Licensee shall pay any tax (and any related interest and penalties), however designated, imposed as a result of the existence or operation of this Agreement including any tax which Licensee is required to withhold or deduct from payments to Licensor, except any such tax constituting an income tax imposed upon Licensor by any governmental entity within the United States proper (the fifty (50) states and the District of Columbia), if such tax is allowable as a credit against U.S. income taxes of any such companies.

13. SECTION HEADINGS

The headings of the several Sections are inserted for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement.

14. ENTIRE AGREEMENT/ GOVERNING LAW

14.1 The provisions of this Agreement contain the entire Agreement between the parties relating to use by Licensee of Licensed Trademarks on Products, and on marketing material, manufactured or provided by Licensee, and supersede and cancel all prior provisions, negotiations, agreements and commitments (whether oral or in writing) with respect to the subject matter hereof. No rights are granted to use the Licensed Trademarks on such Licensee manufactured Products or marketing material except as specifically set forth in this Agreement; and this Agreement may not be released, discharged, abandoned, changed or modified in any manner except by an instrument in writing signed by the parties. In the event of any conflict between the provisions of this Agreement and provisions in any other agreement involving Licensee, the provisions of this Agreement shall prevail.

14.2 This Agreement shall be governed by and construed in accordance with the laws, other than choice of law rules, of the State of Florida, United States of America irrevocably consents to service of process, outside the territorial limits of said Courts, by registered mail, postage pre-paid, to the address set forth herein.

15. GOVERNMENTAL LICENSES, PERMITS AND APPROVALS

15.1 Licensee, at its expense, shall be responsible for obtaining and maintaining all licenses, permits and approvals which are required by all appropriate governmental authorities, with respect in this Agreement, and to comply with any requirements of such governmental authorities for the registration or recording of this Agreement and for making payments hereunder. Licensee shall furnish to Licensor written evidence from such governmental authorities of any such licenses, permits, clearances, authorizations, approvals, registration or recording.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed in duplicate originals by its duly authorized representatives on the respective dates entered below.

Livery Lighting

By: Stephen Stehle

Stephen Stehle

Title: Proprietor

Date: March 7 2004

EASTERN AIR LINES, INC.

By: Ronald T. Bevans, Jr.

Ronald T. Bevans, Jr.

Director of Legal Affairs

Date: 4/2/04

SCHEDULE A

Licensed Trademarks

Mark:	U.S. Registration No.:	Registration Date:
1. EASTERN AIR LINES	1,285,593	July 10, 1984
2. EASTERN and Design	1,467,648	December 1, 1987
3. Design Only (Logo)	1,490,543	May 31, 1988

SCHEDULE B

Product

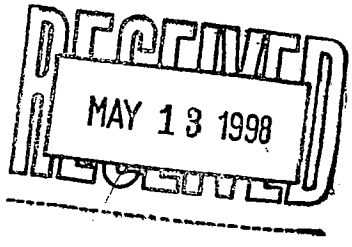
Table Lamps with Decorative Shades bearing the Licensed Trademarks

UNIVERSAL

FAX

DATE	May 13, 1998
TO	Mr. John J. Sicilian
COMPANY	Eastern Airlines
FAX	305-873-7158
FROM	Cris Keledjian
SUBJECT	Clearances for "New Jersey Turnpikes"

IF YOU DO NOT RECEIVE 3 PAGES PLEASE CALL 818-777-6709 (Fax: 818-866-1518)



IMPORTANT: THIS FACSIMILE TRANSMISSION CONTAINS INFORMATION INTENDED FOR THE EXCLUSIVE USE OF THE INDIVIDUAL OR ENTITY TO WHOM IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PROPRIETARY, PRIVILEGED, CONFIDENTIAL AND/OR EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW.

IF YOU ARE NOT THE INTENDED RECIPIENT (OR ANY EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THIS FACSIMILE TRANSMISSION TO THE INTENDED RECIPIENT), OR HAVE RECEIVED THIS COMMUNICATION IN ERROR, YOU ARE HEREBY NOTIFIED THAT ANY COPYING, DISCLOSURE OR DISTRIBUTION OF THIS INFORMATION MAY BE SUBJECT TO LEGAL RESTRICTION OR SANCTION. IN SUCH EVENT, PLEASE NOTIFY THE SENDER BY TELEPHONE TO ARRANGE FOR THE RETURN OR DESTRUCTION OF THE INFORMATION AND ALL COPIES.

May 12, 1998

818-777-6709
Fax: 818-866-1518

Mr. John J. Sicilian
Eastern Airlines
9300 NW 36th St.
Miami, FL 33178
Fax: 305-873-7158

Re: "New Jersey Turnpikes"

Dear Mr. Sicilian:

This is to request your consent to allow us the use of the **"EASTERN AIRLINES LOGO"** as described below.

NJT Productions Inc. is in production on a theatrical motion picture entitled "New Jersey Turnpikes". The script was written by Hank Perlman. Brian Buckley is set to direct. Kelsey Grammar (TV's 'Frazier') has been cast in the lead role.

Set in the 1970's, the story follows a ragtag bunch of misfits who play basketball in the upstart ABA League.

The Set Decorator would like to use the **"EASTERN AIRLINES NAME & LOGO"** as set dressing at an airport, in scenes that show the team getting on a plane to travel to a game.

Would you kindly confirm that this is acceptable with you by signing the enclosed document and returning it to me as soon as possible.

Thank you for your help and consideration. If you have any further questions, please contact me at the above phone number.

Sincerely,

Cris Keledjian
Feature Production

:ck

Clearance Authorization

Eastern Airlines ("Licensor") hereby expressly grants to NJT Productions Inc., c/o Universal Pictures, 100 Universal Plaza, Universal City, CA 91608 ("Producer") the right to use the **"EASTERN AIRLINES NAME AND LOGO"** ("Article"), as set dressing in scenes as part of the Producer's theatrical motion picture currently entitled **"New Jersey Turnpikes"**, (the "Photoplay").

The Photoplay, which may include scenes containing the Article, may be exhibited and exploited theatrically, on television and or otherwise by any means, including clips from the Photoplay containing the Article in advertising and promotion, in any media now known or hereafter devised, in perpetuity, throughout the universe.

Producer may use the Article in the Photoplay, in whatever manner they desire, provided such use is consistent with the usage as described in the requesting letter for this document dated May 13, 1998. In addition, Producer is not obligated to photograph the Article or to use the same.

Licensor hereby confirms that they are or represent the owner of all right, title and interest in and to the Article, including if existing, its copyright, tradename and/or trademark thereof, and that they have the right to enter into this agreement.

It is understood by both parties that this is an authorization by the Licensor for the Producer to proceed with the inclusion of the Article in the preparation, production and exhibition of the Photoplay.

By _____
John J. Sicilian
For: Eastern Airlines
Date: August 7, 1998

Please return to: Lawrence Weier, Universal Pictures, 100 Universal City Plaza, Universal City, CA 91608 • (818) 777-1893 • Fax (818) 866-1518

ck

LW/agree
Rev/1.23.96

TOTAL P.03

Duke University
DURHAM
NORTH CAROLINA
27705-0185

TELEPHONE: (919) 660-5820
FAX: (919) 660-5934

RARE BOOK, MANUSCRIPT, AND
SPECIAL COLLECTIONS LIBRARY

July 23, 1998

Mr. John J. Sicilian
CEO
Eastern Airlines

Dear Mr. Sicilian:

I am writing to seek permission to include a number of historic Eastern Airlines advertisements in a World Wide Web project being created here at Duke University's Rare Book, Mansucript, and Special Collections Library. The *Ad*Access* project will involve scanning approximately 7,000 print advertisements from the 1920s to mid 1950s and providing indexing to allow access by students and other researchers. Eastern Airlines ads such as the sample attached are among those that we wish to include in the project.

The purpose of the project is to improve research access to some of the vast quantities of old advertisements preserved here at Duke. We have chosen broad samples from the advertising categories of Beauty & Hygiene, Transportation, and Radio & Television for inclusion in this initial project. *Ad*Access* is a strictly academic, not-for-profit project. Anyone, anywhere who has access to the World Wide Web will be able to view the material when it is put up on the Web in late 1998. The images will be mounted at a high enough resolution for legibility but low enough that users will not be able to produce publication- or broadcast-quality images from them. Any user wanting a high-qualilty reproduction of an ad viewed in our Web project will need to request a slide or photographic print from Duke and will be required to obtain your company's permission.

If you have any questions, please let me know; otherwise, if you will grant permission for this one-time use, please use the form below and fax this letter back to me. I hope that you will be able to respond within two weeks. Thank you very much.

Sincerely yours,

Ellen G. Gartrell JB

Ellen G. Gartrell
Director
919-660-5827
919-660-5934 (fax) email: lynnp@acpub.duke.edu

****

Permission is granted for Duke University to include selected pre-1956 print advertisements similar to the attached sample in the *Ad*Access* project under the conditions described above.

Signature _____

Name and Title (print) John J. Sicilian, Esq. Chairman and President Date 8/06/98

MTV NETWORKS

A VIACOM COMPANY

October 28, 1999

Via Fax: (305) 536-2243

Mr. John J. Sicilian
Eastern Airlines, Inc.
21 Brickell Avenue
Suite 1780
Miami, FL 33131

Re: NICK AT NITE'S TV Land: *Retromercials®/Eastern Airlines* Commercial

Dear John:

NICK AT NITE, Nickelodeon's nighttime classic programming block, has successfully launched NICK AT NITE's "TV Land". This is a 24-hour cable service consisting of vintage television programs, commercials and icons representing our American television heritage. The programming on this service includes images reflecting the significant and quality programs which shaped America's television past.

Our producers would like to include the following commercial as interstitial programming on NICK AT NITE/NICK AT NITE's TV Land:

> *Eastern Airlines* Commercial: (c/:60) A boy studies a bird in a cage and sets him free. Eastern Airlines understands Man's desire for freedom and flight. The commercial ends with a plane in the clouds. "Eastern 'the wings of man'."

Nick At Nite's TV Land Retromercials, Inc. would like to obtain permission for use of the above-referenced commercial based on the following terms:

Production(s):	*Eastern Airlines* Commercial
Term:	Ten (10) Years
Territory:	United States, its territories and possessions
Media:	Basic subscription television (basic cable and satellite television) including in-context promotion of Nick At Nite and Nick At Nite's TV Land in all media

Please keep in mind that all necessary clearances would be handled at our end and that we would indemnify Eastern Airlines, Inc. against any claims which might arise from our airing of the spot. Any information which you could provide which would help our clearances, i.e. talent lists, music publishing information (if necessary) would be appreciated. If you can't identify the spot from my description, I could supply a copy of the spot in question upon request.

Attached, please find one of our standard agreements and a sign-and-return letter regarding any talent/music information you can (or cannot) supply. If all is in order and you would like to proceed, please return three copies of the standard agreement with original signatures to me via mail. I will of course have them countersigned and return a fully executed copy of the agreement to you for your files.

Please don't hesitate to call if you have any questions or concerns. Thank you again for your help with this matter.

Kind regards,

Stephanie J. Adams

Stephanie J. Adams
Coordinator, Rights and Clearances
Law and Business Affairs
(212) 846-7026 or fax (212) 846-1867
1515 Broadway New York, New York 10036-5797 Tel: (212) 258-8000

cc: K. Bumbulis, A. Rella

119153 ver. 01

TV LAND OVERVIEW

TV Land, cable's 24-hour channel that celebrates 40 years of outstanding programming and pop culture as seen through television, debuted on April 29, 1996. Motivated by the runaway success of its cousin, Nick at Nite, plus viewer demand for more shows than Nick at Nite's evening-only schedule could accommodate, TV Land showcases the best television sitcoms, variety shows, Westerns and dramas 24-hours a day, seven days a week.

TV Land has acquired the rights to air hundreds of "retromercials" -- vintage commercials that boomerang viewers back in time -- in place of national advertising, which the channel will air beginning October, 1997. The classic ads can be seen in TV Land's wrap-around interstitial environment and, coupled with great programming like *The Sonny & Cher Comedy Hour*, *Petticoat Junction*, *Mannix*, and *Marshall Dillon*, enable viewers to re-visit 40 years of outstanding programming every day. Some of these commercials include: the famous "Please don't squeeze the Charmin" spot with Mr. Whipple; Alka Seltzer's "That's a spicy-meatball" commercial; Diet 7-Up's commercial starring Flip Wilson with his alter ego, Geraldine and dozens of others.

The channel's on-air look is a lively mix of "the best of everything television" -- inspired by television itself. The design incorporates the look of early test patterns, game show graphics, and saturated colors evocative of the 1960's. The editorial adapts and plays off the language and attitudes of television, such as: "Some assembly required," "As seen on TV" and "Time release capsules for 24-hour relief."

The Museum of Television & Radio Showcase features a different show every month, from the Museum's collection. Many of the shows offered in this block haven't been seen -- except at The Museum of Television & Radio -- since originally airing, some more than 40 years ago. Included in the list of showcases which have been co-curated by both TV Land and The Museum of Television & Radio are "James Dean: Rediscovered" -- a retrospective of some of Dean's early television performances -- and "The Time Element,"a 1958 selection from *The Westinghouse Desilu Playhouse*.

LICENSE AGREEMENT

LICENSOR: EASTERN AIRLINES, INC., 21 Brickell Avenue, Suite 1780, Miami, FL 33131

LICENSEE: NICK AT NITE'S TV LAND RETROMERCIALS INC. ("NTR"), 1515 Broadway, New York, New York 10036

FOOTAGE TO BE USED: The commercial material set forth below (collectively referred to herein as the "Footage"):

> *Eastern Airlines* Commercial: (c/:60) A boy studies a bird in a cage and sets him free. Eastern Airlines understands Man's desire for freedom and flight. The commercial ends with a plane in the clouds. "Eastern 'the wings of man'."

TELEVISION PROGRAMMING SERVICE: Nick at Nite/TV Land

TERRITORY: United States, its territories and possessions, including Puerto Rico.

TERM: Unlimited runs on basic subscription television (basic cable and satellite television), including use in promotion in any and all media, for a ten (10) year period from initial airdate.

For good and satisfactory consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the provisions hereof, Licensor hereby grants to Licensee a non-exclusive license to use the Footage in and in connection with the Program and its advertising and promotion, on the following terms and conditions:

1. Licensee shall have the right, but not the obligation, to use the Footage or portions thereof and to edit, delete and add to the Footage in the production, exhibition, distribution, promotion and advertising of the Programming Service as specified above.

2. The reasonable costs incurred by Licensor in connection with the physical preparation, delivery, and return of the Footage, shall be borne by Licensee, and Licensee agrees to pay any invoice therefor upon receipt.

LICENSE AGREEMENT
"NICK AT NITE'S TV LAND"

3. Licensor represents and warrants that it owns and/or controls the Footage and all underlying elements and has the right and power to enter into and fully perform this License Agreement and to grant the rights granted herein for the purpose set forth above; provided, however, that Licensee acknowledges that Licensor makes no representations or warranties with respect to consents by persons appearing in the Footage who are under SAG or AFTRA jurisdiction concerning their performances therein. As between Licensor and Licensee, Licensee will be responsible for obtaining all such required consents, authorizations, and/or releases, and will pay all residuals, re-use fees and other compensation, required by applicable collective bargaining contracts.

4. Each party hereto agrees to indemnify and hold harmless the other party and its respective agents, representatives, associates, affiliates, predecessors, successors and assigns, parent and subsidiary corporations, and their officers, directors, and employees and each and all of them, of and from any and all claims, losses, costs, damage, liability and expenses, including reasonable attorneys' fees and costs, arising out of the breach of any representations, warranties, or undertakings contained in this License Agreement.

5. This License Agreement is binding upon and shall inure to the benefit of the respective licensees, successors, and assigns of the parties hereto. This agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and shall be governed by and construed in accordance with the laws of the state of New York.

LICENSOR: EASTERN AIRLINES, INC.

By: _____ Date: _____
an authorized representative

LICENSEE: NICK AT NITE'S TV LAND RETROMERCIALS, INC.

By: _____ Date: _____
an authorized representative

MTV NETWORKS
A VIACOM COMPANY

Via Fax: (305) 536-2243

October 28, 1999

Mr. John J. Sicilian
Eastern Airlines, Inc.
21 Brickell Avenue
Suite 1780
Miami, FL 33131

Re: NICK AT NITE'S TV Land: *Retromercials®/Eastern Airlines* Commercial

Dear John:

We will take care of all clearances necessary to broadcast the above-referenced commercial. Therefore, please forward to me, at your earliest convenience, names and contact information (if available) for all talent and music used in the licensed commercial so that we may contact the actors to obtain their permission for their appearances and license the music if necessary.

If no contact information for talent and music is available, either through Eastern Airlines, Inc. or your ad agency, please let us know by signing below and faxing this letter back to me at the number listed below. If you have contact information, kindly provide that information below and fax this back or phone me with the details.

Thank you again for your kind cooperation.

Kind regards,

Stephanie J. Adams
Coordinator, Rights and Clearances
Law and Business Affairs
(212) 846-7026 or fax (212) 846-1867

cc: K. Bumbulis, A. Rella

Contact Information For Talent And Music: Available:_____ Not Available:_____

Comments:_____

_____

_____

Signature:_____

909
Movie licenses

LEGAL SCRIPT CLEARANCE

703 PIER AVENUE, SUITE #B-229
HERMOSA BEACH, CA 90254
310-374-5866
Fax: 310-374-2626

FAX TRANSMISSION COVER SHEET

To: John J. Sicilian, Esq. **Date:** 14 May 1999

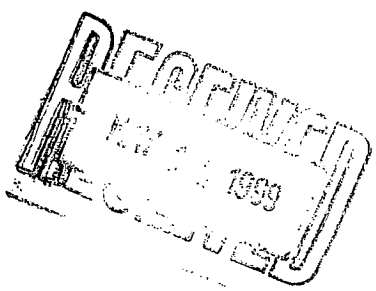
Fax Number: 305-873-7158 **Telephone:** 305-873-3455

From: Beth Unger Morrison
Re: Eastern Airlines signage for use in UNTITLED CAMERON CROWE PROJECT

YOU SHOULD RECEIVE 4 PAGE(S), INCLUDING THIS COVER SHEET. IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL 310-374-5866.

The information contained in this facsimile message is privileged and confidential information intended for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

Time Sensitive Request.
Please Review Immediately
Thank you!



C:\A\WP\CAMERON\REQUEST\EASTERN.WPD

Via facsimile

14 May 1999

LEGAL SCRIPT CLEARANCE

Beth Unger Morrison

703 Pier Avenue, Suite B-229 • Hermosa Beach, California 90254 • ph. (310) 374-5866 fax (310) 374-2626

John J. Sicilian, Esq.
9300 N.W. 36th Street
Miami, FL 33178

Re: Eastern Airlines signage to be used in UNTITLED CAMERON CROWE PROJECT

Dear Mr. Sicilian:

Thank you for taking the time to review this letter.

I am writing on behalf of DreamWorks Productions, L.L.C. which is requesting permission to use Eastern Airlines signage in two airports as set dressing in its motion picture, presently working-titled, UNTITLED CAMERON CROWE PROJECT. We are hoping you can review this letter immediately and give us your response as soon as possible since we begin photography on May 26th and need to have a decision before then.

The UNTITLED dramatic comedy was written and will be directed by Cameron Crowe (*Jerry Maguire, Say Anything*) and the ensemble cast includes Academy Award winners Frances McDormand (*Fargo)* and Anna Paquin (*The Piano)*, as well as Billy Crudup (*Without Limits*), Kate Hudson, Jason Lee and Noah Taylor. The film is produced by Ian Bryce, a Golden Globe recipient for *Saving Private Ryan.*

Set in 1973, the story is seen through the eyes of William, a precocious fifteen-year-old music fan who lands an assignment from Rolling Stone, sight unseen, to interview an up-and-coming band called Stillwater. With deep reluctance, William's mother, an over protective teacher, allows her son to go on the road with the band for a few days to complete his story.

William's journey extends from a few days to more than a week, as our young hero comes of age, caught between the magic of the music and the bittersweet future of rock and roll -- a time when music was still a pure, powerful force and had not yet been corrupted by big business, shameless merchandising and the all-mighty dollar. Along the way, William falls in love, learns the difference between being a friend and being a journalist, and discovers what it means to be a writer.

This poetic, soulful and at times heartbreaking film is, at its core, the story of a mother struggling to keep her fractured family together, to at once protect and support her son as he follows a dream she does not share. It is about love, truth and the families we create on the road in the absence of our own.

We hope to use Eastern Airlines signage circa 1973 as set dressing in two different airports. Specifically, we need signage from the period for a scene at an Eastern gate at a New York City airport when William says goodbye to one of the people with which he was on the tour. There is a change we may also need to see a plane with the Eastern logo on it as well. While at the San

Francicso Airport (in a different scene), William bumps into his sister (who is a PSA stewardess), and we would like to use Eastern signage as background dressing during this encounter, if and only if, Eastern signage would have been present in this airport in this time period.

Presently there are no dialogue references toward Eastern Airlines or its signage and all uses are in the manner for which Eastern would have intended.

We are currently in pre-production and would appreciate your response as soon as possible. If you so graciously grant the Production permission for the above described use, I have forwarded our standard Release for review. If this Release is acceptable, please sign and return the original executed document to me by fax and mail, retaining a copy for your file.

If permission is granted, we are hoping you have examples of the Eastern logo in your archives (or know where we can find this material) so we can recreate the signage for all these scenes.

If you have any questions or concerns, I am available to discuss this matter further. My telephone number is 310-374-5866 (fax number 310-374-2626).

Please accept my sincere thanks for your consideration and assistance with this request.

Very truly yours,

Beth Unger Morrison
on behalf of DreamWorks Productions, L.L.C.

Enc.

As of 14 May 1999
FILM: UNTITLED CAMERON CROWE

SUBJECT: Eastern Airlines signage

RELEASE

This will confirm that, having the sole right to do so, for good and valuable consideration, (the receipt of which is hereby acknowledged), I irrevocably grant DreamWorks Productions, L.L.C. (herein "Producer"), and its subsidiary and affiliated corporations, successors, assigns and licensees, the non-exclusive right to photograph, record, reproduce or otherwise use the below mentioned names, products, trademarks, tradenames, logos, copyrighted material and/or other material(s) [the "Material(s)"] in and in connection with the production, exhibition, exploitation, advertising and promotion of the motion picture, tentatively entitled, UNTITLED CAMERON CROWE PROJECT (herein "Picture"), without limitation as to time, territory or medium:

The Material(s): Eastern Airlines signage used as set dressing and/or a hand prop.

I acknowledge that nothing contained herein requires Producer to use the Material(s) as described herein in or in connection with the Picture. The Producer acknowledges that in no event will the Producer use the Material(s) to advertise or publicize the Picture except as contained in the Picture. The rights granted herein include the right to use excerpts or stills from the Picture which may contain the Material(s) in any other motion picture, publication or recording.

I represent and warrant that the consent of no other person, firm, corporation or labor organization is required to enable Producer to use the Material(s) as described herein, and that such use will not violate or infringe upon the rights of any third parties. ~~I agree to indemnify you and your successors and assigns from and against all claims, damages or expenses resulting from any breach of the above-stated representations and warranties.~~

In the event of any breach, termination or cancellation of this agreement by Producer, I hereby acknowledge that our sole remedy shall be an action for damages and I irrevocably waive any right to obtain equitable or injunctive relief.

This release contains the full and complete understandings between the parties and supersedes all prior agreements and understandings pertaining hereto and cannot be modified except in writing signed by each party.

ACCEPTED AND AGREED: Eastern Airlines

Signature: _____

Print name: John J. Sicilian

Title: Chairman & President

9300 N.W. 36th Street, Miami, FL 33178
Tel. 305-873-3455, Fax 305-873-7158

Please return by mail and fax to: Beth Unger Morrison, Legal Script Clearance, 703 Pier Avenue, Suite B-229, Hermosa Beach, CA 90254, Telephone 310-374-5866, Fax 310-374-2626

PLEASE ATTACH A XEROX OR PHOTOGRAPH OF THE ARTWORK TO THIS DOCUMENT.

(NN)

CAMELOT PRODUCTIONS CORPORATION

March 15, 1991

Karen Ceremsak
EASTERN AIRLINES Corporate Communications
Miami International Airport
Miami, Florida 33148

Dear Karen,

I have tried, unsuccessfully, to reach you several times in the past couple of days regarding Eastern Airlines participation in our film. Shooting begins in a couple of weeks and we are pressed for time, as it takes awhile to build the sets. We would very much like to use Eastern Airlines in our film.

I have enclosed a breakdown of the 2 specific scenes in our script that would call for Eastern's participation.

The first one is scene 19, daytime, 1966. It takes place on an aircraft. Jim Garrison (Kevin Costner) is seated on the plane next to Senator Russell Long (actor is unknown at this time). They are engaged in dialogue about politics. A stewardess comes over and serves them drinks. They continue with their dialogue, Senator Long orders another drink from the stewardess, he continues political dialogue for a few more lines. END SCENE.

The 2nd scene takes place in the Dallas Love Field airport, daytime, 1968. Jim Garrison (Kevin Costner) is checking his bags on a flight from Dallas to Los Angeles. Boxley,one of his staff members, approaches him amd they engage in dialogue. After talking for a few minutes Jim goes to the ticket counter and purchases a ticket for Boxley. He gives him the ticket and then walks away. END SCENE.

The anticipated rating for the film is PG13 to R. Eastern Airlines will be represented in the most appropriate manner,acceptable to the highest standards.

I hope this information is sufficient for your needs. If you have any questions, please call me. I have enclosed a release form, please have the appropriate person sign it and send it back to me via fax. Once again, I would like to remind you that we are on a deadline and we would appreciate a speedy response.

Thank you for your time.

Sincerely,

Margot Ruebel

Margot Ruebel
Art Dept. 2701 Canton St. Dallas, TX. 75226 (214)741-1266
(214)741-9110 FAX

3/19 FAXED TO MARGOT RUEBEL
ELLIOTT TROTTA 4309

MAR 15 '91 10:24 P.1/2

Post-It™ brand fax transmittal memo 7671 | # of pages ▸ 2

To Karen Ceremsak	From Margot Ruebel
Co. Eastern	Co. Camelot Prods.
Dept.	Phone # 214-741-1266
Fax # 305-873-2147	Fax # 214-741-9110

March 15 ,1991

CAMELOT PRODUCTIONS
Attention: ~~KAREN CEREMSAK~~ John T. Sicilian
~~EASTERN AIRLINES~~

RE: "PROJECT X"

Gentlemen:

I have no objection and hereby consent to the use of the name "EASTERN AIRLINES", either visually or orally in, or in connection with, your production of the forthcoming motion picture currently antitled "PROJECT X", and in connection with distribution, exhibition, advertising, and exploitation of said motion picture, by any means whatsoever, whether now known or hereafter devised, in perpetuity throughout the world, and that I do so without claim for compensation of any kind.

John J. Sicilian
Signature

John T. Sicilian
Name (Printed) MIALG

MIAMI INTERNATIONAL AIRPORT
Address

Miami, Florida 33148
City, State, Zip Code

3/19/91
Date

GENERAL RELEASE

METRO GOLDWYN MAYER PICTURES INC.
2500 Broadway Street
Santa Monica, CA 90404
Attn: Business Affairs Department

RE: "MULHOLLAND FALLS"

Gentlemen:

The undersigned hereby advises you that it is the owner of the copyright/trademark/logo described as follows (the "Material"):

Eastern Airlines logo as it appears on aircraft

We understand that you are producing a motion picture presently entitled, "MULHOLLAND FALLS" ("Picture") in which the Material will appear in the following manner:

on 1953 Constellation airplane used as prop/set dressing and/or stock footage

This will confirm that we have consented to such use of the Material in and in connection with the Picture and any and all versions thereof and the distribution and exploitation of the Picture or any part or version thereof in any and all media whether now known or hereafter devised, throughout the universe, in perpetuity.

We understand that you are relying on our consent in the preparation, production and distribution of the Picture. We hereby confirm our agreement and consent by signing below as indicated, and we warrant that we have the full right to enter into this agreement and that no other party's consent to the use of the Material is required. In the event of a breach hereunder, your only remedy shall be damages at law. In no event shall you or your successors, designees or assignees be entitled to such to obtain any equitable remedy including, without limitation, injunctive relief.

Very Truly Yours,

By: John J. Sicilian
(Signature)

Printed Name: John J. Sicilian

Company Name: Eastern Air Lines, Inc.

Title/Position: C' Chairman, Liquidating Agent

Date: February 23, 1995

Certificate of Public Convenience and Necessity for Route 110

This certifies that

EASTERN AIR LINES, INC. or CONTINENTAL AIRLINES, INC.

is authorized, subject to the provisions of Title IV of the Federal Aviation Act of 1958, as amended, the orders, rules, and regulations issued thereunder, and the attached terms, conditions, and limitations, to engage in foreign air transportation of persons, property and mail.

This certificate is not transferable without the approval of the Department of Transportation.

By Direction of the Secretary

Issued by Order 86-10-57

On October 3, 1986

Effective on October 27, 1986

Matthew V. Scocozza

Assistant Secretary for Policy and International Affairs

OST F 8407 (9/85)

[redacted]

Terms, Conditions & Limitations

EASTERN AIR LINES, INC. or CONTINENTAL AIRLINES, INC.

for Route 110

is authorized to engage in foreign air transportation of persons, property and mail:

1. Between the coterminal points Chicago, Ill., Cleveland, Ohio, Hartford, Conn., New York, N.Y.-Newark, N.J., Atlanta, Ga., and Jacksonville, Orlando, Tampa-St. Petersburg-Clearwater, West Palm Beach-Palm Beach, Ft. Lauderdale and Miami, Fla., and the coterminal points Freeport, George Town, Great Harbor Cay, Marsh Harbor, Nassau, Rock Sound, Treasure Cay and West End, Bahama Islands.

2. Between the coterminal points West Palm Beach-Palm Beach and Ft. Lauderdale, Fla., the intermediate point Havana, Cuba, and the coterminal points Freeport, George Town, Great Harbor Cay, Marsh Harbor, Nassau, Rock Sound, Treasure Cay and West End, Bahama Islands.

This authority is subject to the following provisions:

(1) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate.

(2) The holder shall maintain in effect liability insurance coverage as required under Part 205 of the Department's Regulations (14 CFR 205) for all operations under this certificate.

(3) The holder shall at all times conduct its operations in accordance with all treaties and agreements between the United States and other countries, and the exercise of the privileges granted by this certificate is subject to compliance with such treaties and agreements and with any orders of the Department issued under them or for the purpose of requiring compliance with them.

---

* This certificate is being transferred as a result of the acquisition of control of Eastern Air Lines, Inc. by Texas Air Corporation. It has been revised to remove obsolete terms and conditions.

(4) The exercise of the authority granted here is subject to the holder's first obtaining from the appropriate foreign governments such operating rights as may be necessary.

(5) The holder may continue to serve regularly any point through the airport it last used regularly to serve that point before the effective date of this certificate. Upon compliance with such procedures as may be prescribed by the Department of Transportation, the holder may, in addition, regularly serve any point it is authorized to serve through any convenient airport.

(6) The exercise of the privileges granted by this certificate is subject to any other reasonable terms, conditions and limitations that the Department of Transportation may prescribe in the public interest.

(7) Failure to maintain insurance coverage as required by Part 205 or to comply with the Federal Aviation Act or the Department's regulations shall be sufficient grounds to revoke this certificate.

(8) The holder may begin or terminate, or begin and terminate, trips over segment 2 at points short of terminal points.

(9) One carrier, either Eastern Air Lines or Continental Airlines, but not both of them, may operate or be designated to operate under this certificate over the above named segment(s). The authority is intended to be successive, with Eastern Air Lines to continue to hold this authority until such time as that company may be merged into Continental Airlines. The authority shall cease to be effective for both named carriers if it expires, or is revoked, suspended or terminated for one of them.

EXHIBIT "I"

CONTRACT NO. 16833

INDEX TITLE

Airport Use Agreement ORD

Lease & Use Agreement

BETWEEN

EASTERN AIR LINES, INC.

AND

City of Chicago

ROUTING

FROM NEGOTIATING OFFICE

TO: Legal Department. Approved as to form CAB filing required

TO: Insurance Department. Coverage taken

TO: Negotiating Office. Executed

TO: Corporate Contracts Administrator. Correct for filing

TO: Legal Department. Filed with CAB

TO: Corporate Contracts Administrator. Abstracted and filed

Summary Distribution to:

[redacted]

Amendment No. 2 to the Amended and Restated
Airport Use Agreement and Terminal
Facilities Lease

This Amendment No. 2 to the Amended and Restated Airport Use Agreement and Terminal Facilities Lease made and entered into as of this 22nd day of March, 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 Eastern Air Lines, Inc., a corporation organized and existing under the laws of the State of Delaware and a debtor ("Airline").

Witnesseth:

Whereas, City and Airline are parties to an Amended and Restated Airport Use Agreement and Terminal Facilities Lease dated as of January 1, 1985, as amended (the "Use Agreement");

Whereas, it is necessary and advisable to amend the 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. The revised Exhibit J-1, copies of which are attached hereto, are hereby substituted for the existing Exhibit J-1 attached to the Use Agreement.

Section 2. This Amendment No. 2 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.

In Witness Whereof, City has caused this Amendment No. 2 to be executed on its behalf by its Mayor, pursuant to due authorization of the City Counsel of City, and its seal to be hereunto affixed and attested by the City Clerk of City; and Airline has caused this Amendment No. 2 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:

Walter S. Kozubowski
CITY CLERK

CITY OF CHICAGO

Richard M. Daley
MAYOR

APPROVED:

COMPTROLLER

DEPARTMENT OF AVIATION

Jay R. Franke
COMMISSIONER

APPROVED AS TO FORM AND LEGALITY:

CORPORATION COUNSEL

ATTEST:

ITS: Div. Legal Affairs

EASTERN AIR LINES, INC., A Debtor

BY:

ITS: Trustee

EXHIBIT J-1

AIRLINE'S PHASE II EXCLUSIVE USE PREMISES

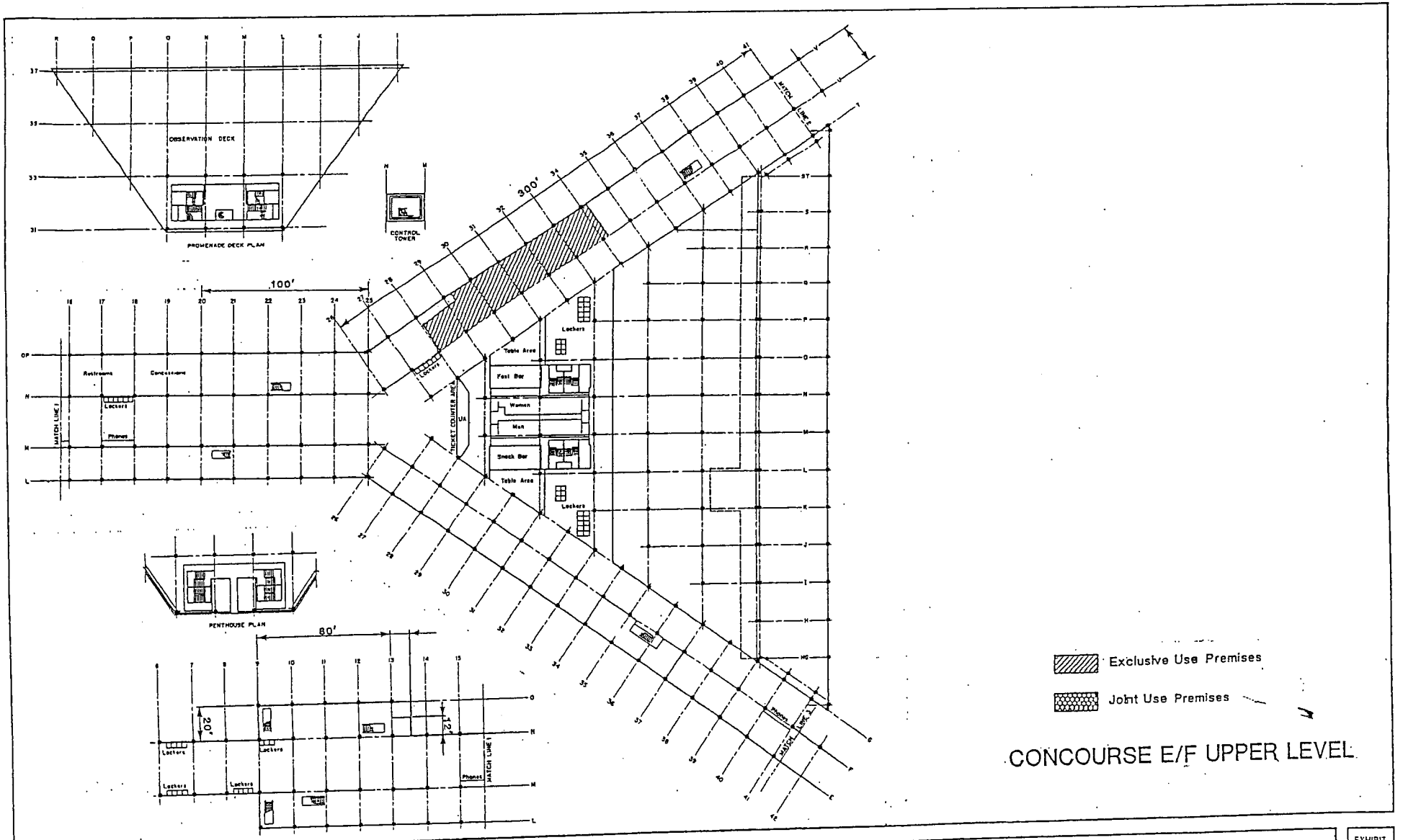
(a) City and Airline agree that Airline's Phase II Exclusive Use Premises in Concourse F, which are depicted in the Drawings of this Exhibit J-1, shall comprise approximately 3,205 square feet, of which 3,205 square feet shall be deemed Airline's Existing Footage, which designation may be changed pursuant to subparagraph (b) below.

(b) City and Airline agree that the exact configuration of the Exclusive Use Premises are subject to changes and refinements, which changes and refinements shall be subject to approval by City and Airline, and that when final decisions have been made appropriate amendment shall be made to this Exhibit J-1.

EASTERN AIRLINES
PHASE II PREMISES
Revised 3/91

	Total Exclusive Use
TERMINAL 2	
Mezzanine/Penthouse	0
Upper Level	0
Lower Level	0
Basement	0
SUBTOTAL TERMINAL 2.	0
CONCOURSE F	
Upper Level	3,065
Apron Level	140
SUBTOTAL CONCOURSE F	3,205
GRAND TOTAL	3,205
EXISTING FOOTAGE	3,205
ADDITIONAL FOOTAGE	0

91chl12\walfoot.wr1



CHICAGO O'HARE INTERNATIONAL AIRPORT

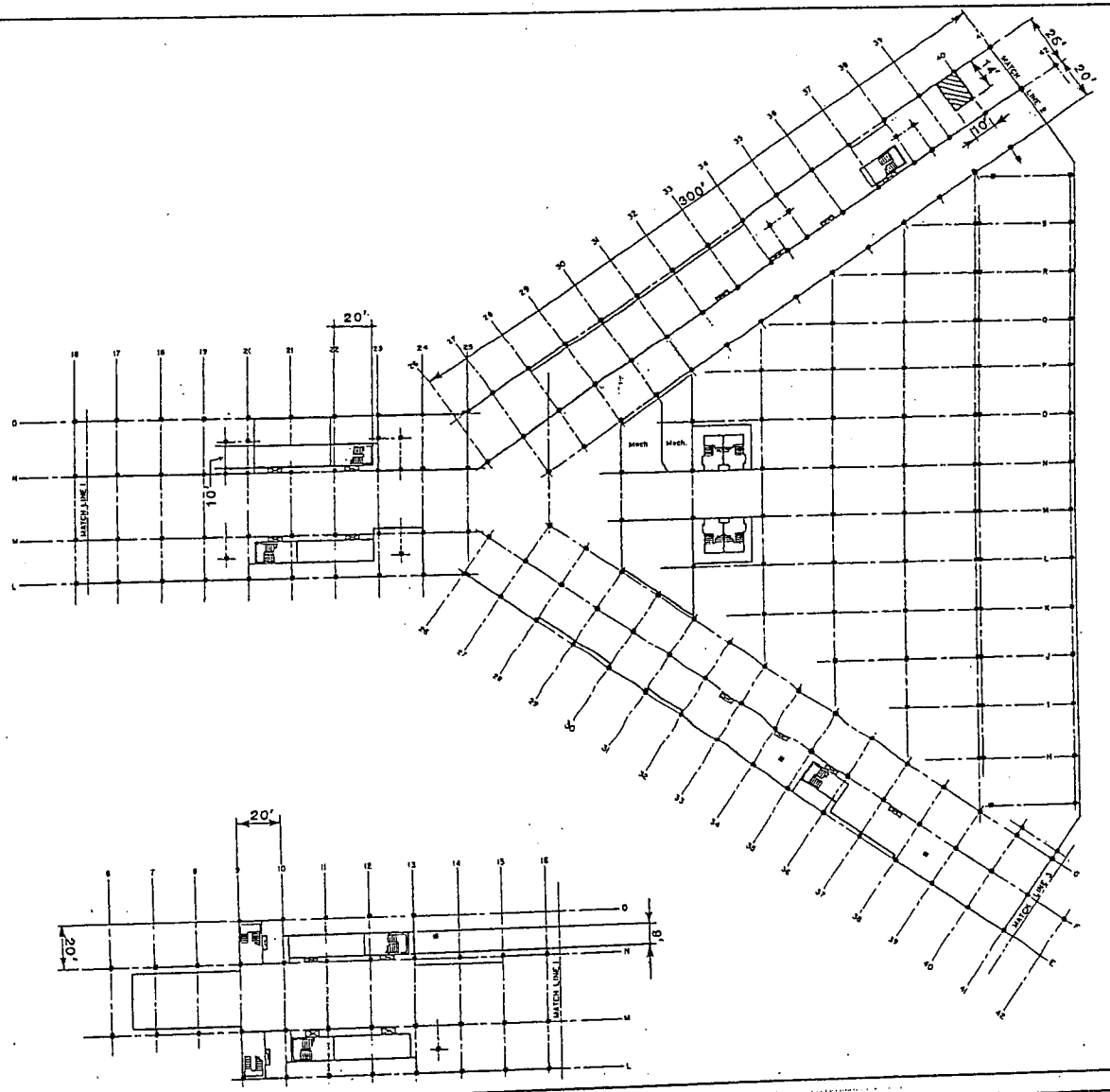
City of Chicago

O'HARE ASSOCIATES
Supervising Consultant
LANDRUM & BROWN
Aviation Consultant

EASTERN AIRLINES EXCLUSIVE USE PREMISES

EXHIBIT J-1

3/91



Exclusive Use Premises

Joint Use Premises

CONCOURSE E/F APRON LEVEL

CHICAGO O'HARE INTERNATIONAL AIRPORT
City of Chicago

O'HARE ASSOCIATES
Supervising Consultant
LANDRUM & BROWN
Aviation Consultant

EASTERN AIRLINES EXCLUSIVE USE PREMISES

EXHIBIT J-1

3/91

EXHIBIT K-1

AIRLINE'S PHASE II AIRCRAFT PARKING AREA

(a) City and Airline agree that Airline's Phase III Aircraft Parking Area shall consist of 0 linear feet of ramp frontage.

0

Chicago-O'Hare International Airport

K# 16833

Eas
Airl

Airp
Agr(

&

Exhibits

CORPORATE CONTRACT COPY

- ORIGINAL -

K-16833

CITY OF CHICAGO
HAROLD WASHINGTON
Mayor

JEROME R. BUTLER
Commissioner of Aviation

PAUL A. KARAS
Commissioner of Public Works

CERTIFICATE

The undersigned hereby certifies that he is VP-Properties and Purchasing (Title of Officer) of Eastern Air Lines, Inc. (Name of Airline) (the "Airline") and that (a) the execution and delivery of, and performance pursuant to, the Chicago-O'Hare International Airport Amended and Restated Airport Use Agreement and Terminal Facilities Lease dated as of January 1, 1985 by and between the City of Chicago (the "City") and the Airline (the "Restated Use Agreement"), have been duly authorized by all necessary corporate action on the part of the Airline and, assuming valid execution by the City, the Restated Use Agreement constitutes a valid and binding obligation of the Airline enforceable in accordance with its terms, and (b) no approval, authorization, waiver, consent, exception or order of, or registration, declaration or filing with, any court or governmental body or instrumentality or administrative agency of the United States or of the State of Illinois, and no authorization, consent, approval, waiver or vote of any other person or entity is necessary for the valid authorization, execution and delivery by the Airline of the Restated Use Agreement or to the performance by the Airline of any of its obligations thereunder.

Dated: 2/16/88

EASTERN AIR LINES, INC.
(Name of Airline)

By: _____
Gary H. Lantner
Vice President
Properties and Purchasing

y [illegible] Chicago
ro [illegible] Washington, Mayor

pa[illegible]ient of Aviation
rd [illegible] Hord
ting Commissioner

te[illegible]00
N[illegible]h Clark Street
ica[illegible], Illinois 60602
2) 744-6892

September 21, 1987

OCT 20 1987

Mr. Gary Lantner
Staff Vice President
Eastern Air Lines, Inc.
Miami International Airport
Miami, FL 33122

Subject: Rental of Exclusive Use Premises
Chicago O'Hare International Airport

Dear Mr. Lantner:

The Department of Aviation has been advised that Eastern Air Lines intends to occupy its Phase II Exclusive Use Premises on Concourse F in October 1987 as described in the 1983 Amended and Restated Airport Use Agreement and Terminal Facilities Lease.

Review of Eastern's lease exhibits (J and J-1) indicates that as of October 5, 1987, the Airlines' Exclusive Use Premises shall be as follows:

Terminal 2	9,043 sf
Concourse F	24,255 sf
Total Area	33,298 sf

Eastern's total area shall be deemed Airline's Existing Footage.

To comply with Section 4.03 (b) of the Agreement, the Airline should notify the Commissioner of its intent to occupy the Phase II Exclusive Use Premises. Eastern should forward this written notification to my office prior to Beneficial Occupancy of the premises.

Very truly yours,

Earl F. Hord
Acting Commissioner

— Can/ pls process change - & advise all interested parties also create sublease to UA for F-1 & L

CHICAGO - O'HARE INTERNATIONAL AIRPORT

****

AMENDED AND RESTATED

AIRPORT USE AGREEMENT

AND TERMINAL FACILITIES LEASE

****

TABLE OF CONTENTS

		Page
ARTICLE I	DEFINITIONS	2
Section 1.01 -	Definitions	2
Section 1.02 -	Interpretation	23
Section 1.03 -	Incorporation of Exhibits	24
ARTICLE II	TERM	25
Section 2.01 -	Term of Agreement	25
ARTICLE III	GRANT OF RIGHTS	25
Section 3.01 -	Use of Airfield Area and Aircraft Parking Areas	25
Section 3.02 -	Communications Equipment	28
Section 3.03 -	Use of Exclusive Use Premises	28
Section 3.04 -	Use of Public Use Premises and Other Public Areas; Ingress and Egress	30
Section 3.05 -	Handling Agreements	31
Section 3.06 -	Construction, Operation and Maintenance and Use of Fueling System	32
Section 3.07 -	Restrictions	32
ARTICLE IV	LEASE OF TERMINAL FACILITIES	34
Section 4.01 -	Introduction	34
Section 4.02 -	Phase I Exclusive Use Premises	35
Section 4.03 -	Phase II and Phase III Exclusive Use Premises	35
Section 4.04 -	Aircraft Parking Areas	38
ARTICLE V	CALCULATION OF RENTALS, FEES, AND CHARGES	39
Section 5.01 -	General Commitment	39
Section 5.02 -	Terminal Area Rentals	39
Section 5.03 -	Terminal Area Use Charges	39
Section 5.04 -	Airline's Prorata Share	42
Section 5.05 -	Special Allocations of Additional Terminal Area Debt Service	43
Section 5.06 -	Landing Fees	45
Section 5.07 -	Net Cost of Airfield Area	46
Section 5.08 -	Fueling System Fees	47

TABLE OF CONTENTS

		Page
ARTICLE VI	IDENTIFICATION AND ALLOCATION OF REVENUES AND EXPENSES	48
Section 6.01 -	Debt Service	48
Section 6.02 -	Operation and Maintenance Expenses; Non-Use Agreement Revenues; Investment Income	50
Section 6.03 -	Airport Development Fund, Emergency Reserve Fund and Special Capital Projects Fund Payment Requirements	51
Section 6.04 -	Allocation of Terminal Support Area Net Deficit or Net Revenues	51
Section 6.05 -	Allocation of International Terminal Area Net Deficit or Net Revenues	51
ARTICLE VII	PAYMENT OF LANDING FEES, TERMINAL AREA USE CHARGES AND FUELING SYSTEM FEES	52
Section 7.01 -	Information on Airline Operations	52
Section 7.02 -	Preliminary Projection of Landing Fee Rate, Terminal Area Use Charges and Fueling System Fees	52
Section 7.03 -	Projection of Landing Fee Rate, Terminal Area Use Charges and Fueling System Fees	53
Section 7.04 -	No Effect on Capital Project Approval Process	53
Section 7.05 -	Payment of Terminal Area Rentals, Terminal Area Use Charges, Landing Fees and Fueling System Fees	53
Section 7.06 -	Mid-Year Adjustment of Landing Fee Rate, Terminal Area Use Charges and Fueling System Fees	54
Section 7.07 -	Final Audit	55
Section 7.08 -	Place of Payments; Late Payments	56
Section 7.09 -	Right to Contest	56
Section 7.10 -	Creation of Certain Funds	56

TABLE OF CONTENTS

		Page
ARTICLE VIII	APPROVAL OF CAPITAL EXPENDITURES; APPROVAL OF ISSUANCE OF OBLIGATIONS	61
Section 8.01 -	Capital Expenditures for Which No Approval Required	61
Section 8.02 -	Issuance of Obligations for Which No Approval Required	63
Section 8.03 -	Notice of Capital Expenditures For Which No Approval Required	67
Section 8.04 -	Notice of Issuance of Obligations For Which No Approval Required	68
Section 8.05 -	Capital Projects and Issuance of Obligations for Which Majority-in-Interest Approval is Required	68
Section 8.06 -	Method of Obtaining Approval	69
Section 8.07 -	Issuance of Obligations by Persons Other Than City	69
ARTICLE IX	AIRPORT DEVELOPMENT PLAN; CONSTRUCTION OF CAPITAL PROJECTS	70
Section 9.01 -	Approval of Airport Development Plan	70
Section 9.02 -	Governmental Approvals	70
Section 9.03 -	Plans and Specifications; Terminal Structure Finish Standards	70
Section 9.04 -	Construction	71
Section 9.05 -	Airline Cooperation	75
Section 9.06 -	Priorities	75
Section 9.07 -	Sources of Funds	76
Section 9.08 -	Price Level Adjustments	78
Section 9.09 -	Government Grants-in-Aid	81
Section 9.10 -	Additional Costs	82
Section 9.11 -	Special Conditions	82
Section 9.12 -	Authority to Issue Obligations to Fund Tenant Improvements	83
Section 9.13 -	Authority to Issue Obligations to Reimburse Certain Airlines for Relocation Costs	84
Section 9.14 -	Special Facility Improvements	85
Section 9.15 -	Construction of Fueling System	85

TABLE OF CONTENTS

	Page
ARTICLE X AIRPORT DEVELOPMENT FUND	85
Section 10.01 - Introduction	85
Section 10.02 - Airport Development Fund Payment Requirements	85
Section 10.03 - Airport Development Fund Payment Requirement Adjustments	86
Section 10.04 - Payments out of Airport Development Fund	86
Section 10.05 - Investment of Airport Development Fund	87
ARTICLE XI EMERGENCY RESERVE FUND	88
Section 11.01 - Introduction	88
Section 11.02 - Emergency Reserve Fund Payment Requirements	88
Section 11.03 - Payments Out of Emergency Reserve Fund	88
Section 11.04 - Investment of Emergency Reserve Fund	89
ARTICLE XII TERMINAL SUPPORT AREA	89
Section 12.01 - Calculation of Net Revenues or Net Deficit of Terminal Support Area	89
ARTICLE XIII LAND SUPPORT AREA	89
Section 13.01 - Land Support Area Income and Expenses; Use and Development	89
Section 13.02 - Net Revenues of the Land Support Area	91
Section 13.03 - Deposit Into Airport Development Fund; Credit to Terminal Support Area	91
Section 13.04 - Central Parking Area	92
ARTICLE XIV INTERNATIONAL TERMINAL AREA	93
Section 14.01 - Fees and Charges	93
Section 14.02 - Calculation of Net Revenues or Net Deficit of International Terminal Area	93

TABLE OF CONTENTS

	Page
ARTICLE XV RESPONSIBILITIES OF AIRLINE	94
Section 15.01 - Maintenance, Replacement and Repair	94
Section 15.02 - Modifications to Exclusive Use Premises	95
Section 15.03 - Taxes, Licenses and Permits	96
Section 15.04 - Installation of Machinery and Equipment	96
Section 15.05 - Liens Prohibited	97
Section 15.06 - Performance by City upon Failure of Airline	97
Section 15.07 - Airline Books and Records	97
Section 15.08 - Airline to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted	97
Section 15.09 - Qualification in the State of Illinois	98
ARTICLE XVI OBLIGATIONS OF CITY	98
Section 16.01 - Operation and Maintenance of Airport	98
Section 16.02 - Performance by Airline upon Failure of City	99
Section 16.03 - Pursuit of Remedies Against Defaulting Airline Parties and International Terminal Area Users	100
ARTICLE XVII RULES AND REGULATIONS; COMPLIANCE WITH LAWS	101
Section 17.01 - Rules and Regulations	101
Section 17.02 - Compliance with Laws	102
ARTICLE XVIII EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS	102
Section 18.01 - Governmental Functions	102
Section 18.02 - No Authority to Conduct Ground Transportation Business	102
ARTICLE XIX INDEMNITY, INSURANCE AND CONDEMNATION	102
Section 19.01 - Indemnity	102
Section 19.02 - Insurance Maintained by Airline	104
Section 19.03 - Insurance Maintained by City	104
Section 19.04 - Use of Insurance Proceeds	106
Section 19.05 - Condemnation	107

TABLE OF CONTENTS

	Page
ARTICLE XX BOOKS AND RECORDS OF CITY	109
Section 20.01 - City Books and Records	109
ARTICLE XXI QUIET ENJOYMENT	109
Section 21.01 - Covenant of Quiet Enjoyment	109
ARTICLE XXII SUBLEASE AND ASSIGNMENT	110
Section 22.01 - Sublease and Assignment of Exclusive Use Premises	110
Section 22.02 - Assignment by City	110
ARTICLE XXIII TRANSITION	111
Section 23.01 - Transfer of Funds	111
Section 23.02 - Fiscal Year Preceding Effective Date	111
Section 23.03 - Fiscal Year Beginning With Effective Date	111
ARTICLE XXIV TERMINATION BY CITY	111
Section 24.01 - Events of Default Defined	111
Section 24.02 - Remedies on Default	113
Section 24.03 - No Remedy Exclusive	113
Section 24.04 - Agreement to Pay Attorneys' Fees and Expenses	114
ARTICLE XXV TERMINATION BY AIRLINE	114
Section 25.01 - Termination by Airline	114
Section 25.02 - Certain Other Agreements Terminated Upon Termination of this Agreement	115
Section 25.03 - No Remedy Exclusive	115

TABLE OF CONTENTS

	Page
ARTICLE XXVI EQUAL OPPORTUNITY	115
Section 26.01 - Equal Opportunity	115
Section 26.02 - Non-Discrimination	116
Section 26.03 - Prohibition Against Exclusive Rights	117
Section 26.04 - Non-Discrimination in Furnishing Services	117
Section 26.05 - Affirmative Action	117
ARTICLE XXVII MISCELLANEOUS	118
Section 27.01 - Parity of Treatment	118
Section 27.02 - Notices	118
Section 27.03 - Severability	118
Section 27.04 - No Additional Waiver Implied by One Waiver	118
Section 27.05 - Termination of Certain Other Agreements on Effective Date; Amendments	119
Section 27.06 - Distribution of Funds Upon Termination	119
Section 27.07 - No Abatement or Set-off	119
Section 27.08 - Provisions Relating to Special Facility Agreement	120

AMENDED AND RESTATED AIRPORT USE AGREEMENT AND TERMINAL FACILITIES LEASE

THIS AGREEMENT, dated as of January 1, 1985, by and between the City of Chicago, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois ("City"), and Eastern Airlines, Inc., a corporation organized and existing under the laws of the State of Delaware ("Airline"),

W I T N E S S E T H :

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

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

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01 - Definitions

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

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

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

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

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

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

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

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

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

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

(d) "Facilities incidental to the Runways, Aircraft Parking Areas, and Taxiways" - facilities for the purpose of controlling and assisting arrivals, departures and operations of aircraft using the Airport, such as control towers operated and maintained by the FAA, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from the rest of the Airfield Area.

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

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

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

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

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

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

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

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

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

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

(16) "Airport Use Agreement" means (a) this Agreement, (b) each other airport use agreement and terminal facilities lease, with respect to the Airport, substantially the same

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(32) "Exclusive Use Premises" means, at any time, for each Airline Party, those areas and facilities in the Terminal Area which, pursuant to Article IV of such Airline Party's Airport Use Agreement, are then leased to such Airline Party for its exclusive occupancy and use.

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

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

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

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

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

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

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

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

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

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

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

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

proceeds and investment income thereon held by or for the account of City.

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

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

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

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

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

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

(51) "Independent Architect or Engineer" means an architect or engineer selected by City, after reasonable notice given to the Airlines' Representative, authorized to practice in the State of Illinois, and who, in the case of an individual, shall not be a director, officer or employee of either City or any Airline Party.

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

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

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

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

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

but which are allocated to the Terminal Area in the Airport Development Plan.

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

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

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

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

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

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

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

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

(61) "Majority-in-Interest" means, during any Fiscal Year, either (a) any five or more Airline Parties which, in the aggregate, paid sixty percent (60%) or more of Airport Fees and

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

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

(63) "1959 Bond Ordinance" means the ordinance entitled "Ordinance authorizing the issuance of Chicago-O'Hare International Airport Revenue Bonds Series of 1959 for the purpose of improving and extending said Airport and providing for payment of principal and interest on said bonds," adopted by the City Council of City on December 29, 1958, as supplemented by ordinances adopted by the City Council of City on February 16, 1959, February 1, 1961, July 13, 1962, July 21, 1967, June 26, 1968, March 25, 1970, and August 30, 1972, authorizing, securing, and confirming the sale to the respective purchasers thereof of the 1959 Bonds.

(64) "1959 Bonds" means, collectively, the revenue bonds of City, outstanding as of any date of determination, described as follows:

(a) Chicago-O'Hare International Airport Revenue Bonds, Series of 1959, dated January 1, 1959, issued pursuant to Section 2.02 of the 1959 Bond Ordinance in the original aggregate principal amount of $120,000,000;

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

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

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

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

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

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

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

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

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

(a) the following costs and expenses incurred by City for employees of City employed at the

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

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

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

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

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

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

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

(h) Terminal Area Rentals, Terminal Area Use Charges, Landing Fees, Fueling System Fees and indemnification payments pursuant to Section 19.01(a)(ii), (iii) or (iv), unpaid by any Airline Party when due and reasonably deemed by City to be uncollectible after collection efforts have been undertaken by City in accordance with Section 16.03, but

only to the extent such rentals, charges and fees have not been paid out of funds available therefor in the Emergency Reserve Fund pursuant to Section 11.03(b), or in the Airport Development Fund pursuant to Section 10.04(c);

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

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

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

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

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

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

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

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

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

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

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

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

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

(74) "Qualified Investments" means:

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

(b) deposits in interest-bearing time deposits or certificates of deposit or similar arrangements issued by any bank or national banking association, which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by obligations

referred to in subsection (a) above or (d) or (e) below having a current market value (exclusive of accrued interest) at least equal to one hundred ten percent (110%) of the amount of such deposits, marked to market monthly, and which obligations referred to in subsection (a) above or (d) or (e) below shall have been deposited in trust by such bank or national banking association with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of City and the Trustee, with another bank, trust company or national banking association for the benefit of City and the appropriate fund or account as collateral security for such deposits;

(c) direct and general obligations of any state of the United States of America or any political subdivision of the State of Illinois which are rated not less than AA or Aa or their equivalents by Standard & Poor's Corporation or Moody's Investors Service, Inc., or their successors;

(d) obligations issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks System, Federal Land Banks, Export-Import Bank, Tennessee Valley Authority, Government National Mortgage Association, Farmers Home Administration, United States Postal Service, the Federal National Mortgage Association to the extent that such obligations are guaranteed by the Government National Mortgage Association, any agency or instrumentality of the United States of America and any corporation controlled and supervised by, and acting as an agency or instrumentality of, the United States of America;

(e) repurchase agreements extending not beyond thirty (30) calendar days with banks which are members of the Federal Reserve System or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York that are secured by obligations referred to in subsection (a) above having a current market value equal to at least one hundred three percent (103%) of the amount of the repurchase agreement, marked to market weekly, and which obligations have been

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

(f) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.

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

(76) "Revenues" means, for any Fiscal Year, all amounts received or receivable directly or indirectly by City, for such Fiscal Year, for the use and operation of, or with respect to, the Airport (excluding the Land Support Area), including, without limitation: all amounts transferred into the Airport Fund or the Special Capital Projects Fund pursuant to Section 23.01; all Airport Fees and Charges (excluding payments described in subsection (a) below); all other rentals, charges and fees for the use of the Airport (including all rentals and flight fees payable by non-Airline Parties) or for any service rendered by City in the operation thereof; Concession Revenues and concession revenues derived from the International Terminal Area; interest payments to City made pursuant to Section 7.08; interest accruing on, and any profit realized from the investment of, moneys in the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Maintenance Reserve Fund, the Operation and Maintenance Fund, the Special Capital Projects Fund, the Operation and Maintenance Reserve Fund, and any debt service reserve fund established under any ordinance or resolution authorizing the issuance of Junior Lien Obligations; and City deposits into the Airport Fund or transfers to the Trustee for deposit into the Revenue Fund pursuant to Sections 13.03 and 13.04; provided, however, that

Revenues shall not include: (a) any amounts derived by City from Special Facility Financial Arrangements entered into in connection with Special Facility Improvements to the extent such amounts derived are required to pay principal of, premium, if any, and interest on Special Facility Revenue Bonds and all sinking and other reserve fund payments required by the ordinance or resolution authorizing the issuance of such Special Facility Revenue Bonds, (b) the proceeds of any passenger facility charge or similar tax levied by or on behalf of City, (c) interest accruing on, and any profit resulting from the investment of, moneys in the Airport Development Fund, the Emergency Reserve Fund, and the Construction Fund, (d) Government Grants-in-Aid (except to the extent used or to be used to pay for or reimburse the cost of any Capital Project previously funded through the issuance of General Airport Revenue Bonds or Junior Lien Obligations), (e) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (f) the proceeds of any condemnation awards, and (g) the proceeds of any borrowings by City.

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

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

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

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

resolution authorizing such Special Facility Revenue Bonds as the same shall become due, or (b) any lease of, or other instrument relating to, a Special Facility Improvement entered into by City as a result of a default by the original or a subsequent lessee of, or borrower in connection with, such Special Facility Improvement, to the extent such lease or instrument, or the proceeds thereof, has been pledged to the payment of Special Facility Revenue Bonds.

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

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

(83) "Special Facility Revenue Bonds" means bonds, notes or other evidences of indebtedness of City, with respect to which the principal, premium, if any, and interest are payable solely from proceeds of the sale of such bonds and from rentals or other charges derived by City under and pursuant to one or more Special Facility Financing Arrangements relating to specific Special Facility Improvements entered into between City and the user or users of such Special Facility Improvements, which bonds, notes or other evidences of indebtedness are not payable from Revenues, from Airport Fees and Charges or

from other revenues of City, and for which City has no taxing obligation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

and all facilities and equipment forming part of the Ground Transportation System; and

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

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

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

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

Section 1.02 - Interpretation

In this Agreement, unless the context otherwise requires:

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

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

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

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

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

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

Section 1.03 - Incorporation of Exhibits

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

Exhibit A	Chicago-O'Hare International Airport
Exhibit B	Airport Development Plan
Exhibit C	Terminal Area
Exhibit D	Airfield Area
Exhibit E	International Terminal Area
Exhibit F	Terminal Support Area
Exhibit G	Land Support Area
Exhibit H	Fueling System
Exhibit I	General Airport Revenue Bond Ordinance
Exhibit J	Airline's Phase I Exclusive Use Premises
Exhibit J-1	Airline's Phase II Exclusive Use Premises
Exhibit J-2*	Airline's Phase III Exclusive Use Premises
Exhibit K	Airline's Phase I Aircraft Parking Areas
Exhibit K-1	Airline's Phase II Aircraft Parking Areas
Exhibit K-2*	Airline's Phase III Aircraft Parking Areas
Exhibit L	System of Allocation of O&M Expenses and Non-Use Agreement Revenues

*If applicable

Exhibit M	Identification of Existing Leases and Other Agreements of Airline to Be Extended
Exhibit N	Description of O&M Responsibilities
Exhibit O	Allocation of Revenues to Funds Established Under General Airport Revenue Bond Ordinance
Exhibit P	Algebraic Representation and Hypothetical Calculations of Terminal Area Use Charges
Exhibit Q	Terminal Finish Standards

ARTICLE II

TERM

Section 2.01 - Term of Agreement

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

ARTICLE III

GRANT OF RIGHTS

Section 3.01 - Use of Airfield Area and Aircraft Parking Areas

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

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

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

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

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

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

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

(vii) The right to sell, dispose of or exchange its aircraft, engines, accessories, gasoline, oil, greases, lubricants, other fuel or propellant, other equipment or supplies, and any articles or goods used by or acquired by Airline in connection with its conduct of an Air Transportation

Business; provided, however, that Airline shall not sell, dispose of or exchange any such items to persons other than its employees or other Aircraft Operators, unless such items represent surplus items at the time no longer reasonably necessary in connection with the conduct by Airline of its Air Transportation Business; and, provided further, that Airline shall not sell, dispose of or exchange gasoline, oil, greases, lubricants, fuel or propellants, except to other persons conducting an Air Transportation Business;

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

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

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

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

(b) The foregoing shall not be construed to authorize Airline to conduct any business other than an Air Transporta-

tion Business at the Airport. The rights enumerated above may be exercised by Airline, alone or in conjunction with any other Airline Party, directly or through another person designated by Airline, or designated by Airline and such Airline Party jointly. The rights enumerated in item (iii) above to service aircraft and other equipment may be exercised only with respect to aircraft and other equipment operated by persons engaged in the Air Transportation Business; provided, however, that Airline may exercise such rights with respect to such persons other than Airline only to the extent not prohibited by any agreements to which City is a party as of the Effective Date.

Section 3.02 - Communications Equipment

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

Section 3.03 - Use of Exclusive Use Premises

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Except as hereinafter provided, Airline shall have the right (i) of ingress to and egress from the Airport for its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of services, and its or their equipment, aircraft, vehicles, machinery and other property, (ii) to provide transportation of employees of Airline to, from and within the Airport, (iii) to provide transportation of passengers of Airline within the Airport, and (iv) to provide transportation for passengers of Airline to and from the Airport in the event of an emergency closing of the

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

Section 3.05 - Handling Agreements

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

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

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

Section 3.07 - Restrictions

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

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

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

(c) Except as otherwise expressly provided herein or unless otherwise expressly permitted to do so, Airline shall not install, maintain or operate, or permit the installation, maintenance or operation in the Terminal Area of, any vending

machine or device designed to dispense or sell food, beverages, tobacco, or merchandise of any kind, except in areas which are not intended to be open to the general public.

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

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

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

(g) City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right at all reasonable times to enter Airline's Exclusive Use Premises for the purpose of inspecting the same, for emergency repairs to utilities systems, and for the doing of any act which City may be obligated or have the right to do under this Agreement; provided, however, that in exercising such rights, City shall not unreasonably interfere with Airline's use and occupancy of its Exclusive Use Premises.

(h) City shall have the right to operate and maintain the Ground Transportation System with all necessary and reasonable means of ingress thereto and egress therefrom; provided,

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

ARTICLE IV

LEASE OF TERMINAL FACILITIES

Section 4.01 - Introduction

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

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

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

Section 4.02 - Phase I Exclusive Use Premises

(a) City hereby leases to Airline and Airline hereby hires and takes from City for Airline's exclusive use, and agrees to pay Terminal Area Rentals and Terminal Area Use Charges calculated with reference to, the Exclusive Use Premises (Airline's "Phase I Exclusive Use Premises") located in Terminal Building No. 2, and Concourse(s) 0, together with all improvements and fixtures located therein, all as shown on Drawing Nos. 1, 2, 3, 4, 5, and 6 of Exhibit J attached hereto.

(b) The foregoing Phase I Exclusive Use Premises, taken together, comprise 35,958 square feet, of which 35,958 square feet shall be deemed Airline's Existing Footage, and _____ square feet shall be deemed Airline's Additional Footage.

Section 4.03 - Phase II and Phase III Exclusive Use Premises

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

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

(b) Prior to the date on which City certifies Airline's Phase II Exclusive Use Premises to be usable for the

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

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

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

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

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

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

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

(h) Within the time provided in subsection (d) of this Section 4.03 and subject to the provisions of Section 9.12, Airline shall remove, to the extent feasible, from any premises vacated by Airline, all trade fixtures, tools, machinery, equipment (including, without limitation, aircraft loading bridges and devices, baggage systems and communications equipment), supplies, materials and other removable property belonging to Airline; provided, however, that Airline shall promptly repair any damage to such premises caused by such removal. Airline may sell any such property to any person, and City shall have no right under this Agreement to approve the amount received by Airline therefor.

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

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

Section 4.04 - Aircraft Parking Areas

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

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

ARTICLE V

CALCULATION OF RENTALS, FEES, AND CHARGES

Section 5.01 - General Commitment

(a) For the purpose of fairly allocating the net cost of operating, maintaining and developing the Airport among all of the Airline Parties, various areas of the Airport have been grouped together for the purpose of accounting for Revenues, O&M Expenses and Debt Service. Each such area is a Cost-Revenue Center as defined in Article I. The net cost of each Cost-Revenue Center shall be determined pursuant to the provisions of this Article V, and Articles VI, XII, XIII and XIV. A pro-rata share of the net cost of each Cost-Revenue Center (except the Land Support Area) shall be charged to Airline and to each of the other Airline Parties as part of Airport Fees and Charges in accordance with the provisions of this Article V. The aggregate of all rentals, fees and charges to be paid under all Airport Use Agreements by all Airline Parties shall be sufficient to pay for the net cost of operating, maintaining and developing the Airport (excluding the Land Support Area), including the satisfaction of all of City's obligations to make deposits and payments under any ordinance or resolution authorizing obligations issued pursuant to Article VIII other than Special Facility Revenue Bonds.

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

Section 5.02 - Terminal Area Rentals

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

Section 5.03 - Terminal Area Use Charges

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

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

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

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

plus

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

plus

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

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

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

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

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

minus

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

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

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

plus

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

plus

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

(b) Notwithstanding any other provisions of this Agreement, with respect to any Fiscal Year during which any Airline Party is obligated pursuant to a Special Facility Financing Arrangement to make Special Facility Revenue Bond and Other Debt Service payments, such Airline Party shall receive a credit against its Terminal Area Use Charges and Terminal Area Rentals for each month during such Fiscal Year in an amount equal to one-twelfth (1/12) of such Special Facility Revenue Bond and Other Debt Service payable by such Airline Party for such Fiscal Year allocated in accordance with Sections 6.01(a) and 6.01(b) to (i) the Existing Footage portion of Exclusive Use Premises which are part of a Special Facility Improvement, (ii) Public Use Premises or (iii) the Terminal Support Area. If, in any month, such credit exceeds the aggregate amount of such Airline Party's Terminal Area Use Charges and Terminal Area Rentals for such month, such Airline Party shall receive a credit against its Landing Fees for such month. If, in any month, such credit exceeds the aggregate amount of such Airline Party's Terminal Area Use Charges, Terminal Area Rentals and Landing Fees for such month, such Airline Party shall receive a credit against such charges, rentals and fees for the next succeeding months during such Fiscal Year equal to such excess. To the extent that any such credits are not exhausted during such Fiscal Year, then such Airline Party shall receive a cash payment from City in the amount of such unexhausted credits within thirty (30) days of receipt by such Airline Party of the Final Audit for such Fiscal Year.

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

Section 5.04 - Airline's Prorata Share

(a) Airline's prorata share set forth in Section 5.03(a)(i) of Debt Service and Special Facility Revenue Bond and Other Debt Service shall be the percentage established by dividing (i) the total number of square feet of Airline's Additional Footage by (ii) the total number of square feet of Additional Footage of all Airline Parties. For purposes of this Section 5.04(a), any portion of a Special Facility Improvement in the Terminal Area designated as Additional Footage shall not be deemed to be Additional Footage. In the event that General Airport Revenue Bonds or Junior Lien Obligations are issued to redeem, refund, or otherwise refinance the Special Facility Revenue Bonds or other funds of the user of a Special Facility Improvement such that such

building, facility or improvement, or portion thereof, is no longer deemed to be a Special Facility Improvement, then for purposes of this Section 5.04(a), the portion thereof designated as Additional Footage shall be deemed to be Additional Footage.

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

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

Section 5.05 - Special Allocations of Additional Terminal Area Debt Service

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

(i) Airline shall pay its prorata share of such Debt Service, if any, (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to that portion of the Terminal Area which will become Exclusive Use Premises once the Date of Beneficial Occupancy with respect thereto has occurred; provided, however, that with respect to any such premises in a Special Facility Improvement, only that portion of the Special Facility Revenue Bond and Other Debt Service, if any, payable prior to the Date of Beneficial

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

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

if such premises are included in that portion of the Terminal Area under construction.

(iii) Airline shall pay its prorata share of such Debt Service, if any, (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to that portion of the Terminal Area which will become Type A Public Use Premises. Airline's prorata share shall be the percentage established by dividing (1) the total number of square feet of Airline's Exclusive Use Premises by (2) the total number of square feet of Exclusive Use Premises of all Airline Parties. For purposes of this Section 5.05(a)(iii), that portion of a Special Facility Improvement in the Terminal Area designated as Exclusive Use Premises shall be Exclusive Use Premises.

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

Section 5.06 - Landing Fees

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

(b) The Landing Fee Rate for any Fiscal Year shall be determined (to the nearest 1/10th of one cent per each one thousand pounds) by dividing the Net Cost of the Airfield Area

(as defined in Section 5.07), for such Fiscal Year, by the total Approved Maximum Landing Weight in thousand-pound units of all aircraft of all Airline Parties landed in Fee Landings during such Fiscal Year.

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

Section 5.07 - Net Cost of Airfield Area

The Net Cost of the Airfield Area shall be:

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

plus

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

plus

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

plus

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

minus

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

minus

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

Section 5.08 - Fueling System Fees

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

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

plus

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

minus

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

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

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

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

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

ARTICLE VI

IDENTIFICATION AND ALLOCATION OF REVENUES AND EXPENSES

Section 6.01 - Debt Service

(a) City shall maintain accurate records allocating Debt Service for each Fiscal Year among the CRCs. The allocation of Debt Service shall be based on actual expenditures made

out of the proceeds of obligations giving rise to such Debt Service for each Capital Project described in the Airport Development Plan and in any future schedules of Capital Projects presented by City to the Airline Parties in accordance with Article VIII; provided, however, that Debt Service attributable to those capitalized costs of implementing the provisions of this Agreement described in Section 8.02(a)(vii) shall be allocated thirty-five percent (35%) to the Terminal Area, thirty-five percent (35%) to the Airfield Area, twenty percent (20%) to the Terminal Support Area and ten percent (10%) to the International Terminal Area; and, provided, further, that Debt Service attributable to the costs of funding or refinancing required deposits into the Operation and Maintenance Reserve Fund, for each Fiscal Year, shall be allocated among the CRCs in the same proportion as O&M Expenses, for such Fiscal Year, are allocated among the CRCs. Such allocation shall separately identify Debt Service allocated to the Terminal Area for (i) all Exclusive Use Premises (excluding Exclusive Use Premises which are part of a Special Facility Improvement), (ii) any Exclusive Use Premises which are part of a Special Facility Improvement, (iii) tenant improvements pursuant to Section 9.12, (iv) relocation costs incurred pursuant to Section 9.13, (v) Type A Public Use Premises, (vi) Type B Public Use Premises, (vii) those capitalized costs of implementing the provisions of this Agreement described in Section 8.02(a)(vii), (viii) those Capital Projects enumerated in Section 5.05(b), and (ix) the costs of funding or refinancing required deposits into the Operation and Maintenance Reserve Fund; and shall separately identify Debt Service, if any, during construction for each of the foregoing.

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

(including Exclusive Use Premises which are part of a Special Facility Improvement) to which Debt Service is allocable pursuant to Section 6.01(a) ("V") and the denominator of which shall be the total number of square feet of Additional Footage of all Airline Parties (including Additional Footage which is part of a Special Facility Improvement) ("W"). An algebraic representation of the calculation of the Special Facility Revenue Bond and Other Debt Service attributable to the Existing Footage portion of Exclusive Use Premises which are part of a Special Facility Improvement is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VII

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

Section 7.01 - Information on Airline Operations

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

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

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

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

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

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

Not later than thirty (30) days prior to the end of each Fiscal Year, City shall furnish Airline with a Projection of Fees and Charges, consisting of the Preliminary Projection of Fees and Charges revised as appropriate to reflect comments submitted to City by Airline Parties (the "Projection of Fees and Charges"). The Projection of Fees and Charges shall be the basis for computing Airline's Landing Fees, Terminal Area Use Charges and Fueling System Fees for the next ensuing Fiscal Year unless and until revised pursuant to Section 7.06. In no event shall the projection of Landing Fees, Terminal Area Use Charges or Fueling System Fees of any Airline Party be less than zero; provided, however, that if the computations contemplated hereunder produce negative amounts, such amounts shall be reflected in the Final Audit.

Section 7.04 - No Effect on Capital Project Approval Process

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

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

Beginning with the later of the Effective Date and the date on which this Agreement is executed and delivered with respect to Airline's Phase I Exclusive Use Premises, and beginning with the Date of Beneficial Occupancy with respect to

Airline's Phase II (or Phase III, if applicable) Exclusive Use Premises:

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

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

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

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

Not later than the one hundred ninetieth (190th) day of each Fiscal Year, City shall furnish Airline with a revised Projection of Fees and Charges (the "Mid-Year Projection"), which shall reflect the most recently available information with regard to the amounts actually incurred or realized during such Fiscal Year for each of the items listed in Section 7.02,

together with the most recently available information with regard to Landing Fees, Terminal Area Use Charges and Fueling System Fees actually received by City with respect to the Airport. If the Mid-Year Projection forecasts that payments of Terminal Area Use Charges, Landing Fees and Fueling System Fees by Airline Parties at the then-existing rates would result in an overpayment or underpayment of five percent (5%) or more of the amount required hereunder to be generated by City through Terminal Area Use Charges, Landing Fees and Fueling System Fees during such Fiscal Year, City shall adjust the remaining monthly Terminal Area Use Charges, the Landing Fee Rate and Fueling System Fees for such Fiscal Year to conform to the Mid-Year Projection. In no event shall either Terminal Area Use Charges, Landing Fees or Fueling System Fees of any Airline Party, as so adjusted, be less than zero; provided, however, that if the computations contemplated hereunder produce negative amounts, such amounts shall be reflected in the Final Audit.

Section 7.07 - Final Audit

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

Terminal Area Use Charges, Landing Fees or Fueling System Fees, as the case may be.

Section 7.08 - Place of Payments; Late Payments

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

Section 7.09 - Right to Contest

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

Section 7.10 - Creation of Certain Funds

(a) Immediately after the Effective Date, City shall create the following funds:

(i) the Airport Fund;
(ii) the Operation and Maintenance Fund;
(iii) the Special Capital Projects Fund;
(iv) the Operation and Maintenance Reserve Fund;
(v) the Maintenance Reserve Fund;
(vi) the Airport Development Fund; and
(vii) the Emergency Reserve Fund.

Such funds constitute all of the funds required to be created under this Agreement. In addition, City may create other funds for the purpose of segregating moneys to pay Debt Service when the pledge of Revenues under the General Airport Revenue Bond Ordinance is not in effect. All moneys and securities held in

the funds listed above shall be held by City separate and apart from all other funds of City and shall be applied and withdrawn only as set forth in this Section 7.10, except with respect to the Airport Development Fund and the Emergency Reserve Fund, which are governed by Articles X and XI, respectively.

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

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

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

Operation and Maintenance Fund each month of the second half of such Fiscal Year shall be increased or decreased as appropriate by an amount equal to one-sixth of the amount of such adjustment.

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

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

First: City shall deposit into the Operation and Maintenance Reserve Fund an amount equal to one-half (1/2) of the "O&M Reserve Fund deposit requirement", as below defined, for such Fiscal Year. The "O&M Reserve Fund deposit requirement" for any Fiscal Year shall mean the amount necessary to increase the amount on deposit therein (including amounts receivable from the Operation and Maintenance Fund) to an amount equal to one-fourth (1/4) of the amount provided in the Projection of Fees and Charges, as adjusted from time to time, for Operation and Maintenance Expenses (excluding O&M Expenses of the Land Support Area and deposits for the Maintenance Reserve Fund and the Operation and Maintenance Reserve Fund) for such Fiscal Year; provided, however, that if the Mid-Year Projection prepared in accordance with Section 7.06 contains an adjustment of Operation and Maintenance Expenses (excluding O&M Expenses of the Land Support Area and deposits into the Operation and Maintenance Reserve Fund and the Maintenance Reserve Fund), then the amount required to be deposited on the one hundred eighty-second (182nd) day of such Fiscal Year shall be increased or decreased as appropriate by an amount equal to such adjustment.

Second: City shall next deposit into the Maintenance Reserve Fund an amount equal to the

lesser of (A) $1,500,000 and (B) the amount, if any, required to bring the deposit therein to $3,000,000.

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

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

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

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

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

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

Operation and Maintenance Reserve Fund as soon as funds for such repayment are available therefor.

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

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

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

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

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

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

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

(g) In computing the amount in any fund described in this Section 7.10, obligations maturing within the three (3) year period next succeeding the date of computation shall be valued at amortized value and obligations maturing more than three (3) years following the date of computation shall be valued at the lower of amortized value or market value. For purposes of this Agreement, amortized value means par, if the obligation was purchased at par, or, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated from the purchase price in the case of an obligation purchased at a premium or adding the amount thus calculated to the purchase price in the case of an obligation purchased at a discount. Valuation shall be made on each January 1 and July 1, and on any particular date shall not include the amount of interest then earned or accrued to such date on any deposit or investment.

ARTICLE VIII

APPROVAL OF CAPITAL EXPENDITURES; APPROVAL OF ISSUANCE OF OBLIGATIONS

Section 8.01 - Capital Expenditures for Which No Approval Required

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

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

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

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

Section 8.02 - Issuance of Obligations for Which No Approval Required

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

use of the proceeds of General Airport Revenue Bonds in the manner set forth in that certain Escrow Deposit Agreement, dated as of April 1, 1983, by and among City, Delta Air Lines, Inc. and Continental Illinois National Bank and Trust Company of Chicago, shall be deemed to constitute a refunding of Special Facility Revenue Bonds "pursuant to . . . the Special Facility Use Agreement dated as of August 1, 1982 by and between the City and Delta Air Lines, Inc." within the meaning of this Section.

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

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

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

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

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

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

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

credit facility arrangement is entered into, as the case may be.

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

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

(vi) City shall not amend the General Airport Revenue Bond Ordinance in any way that would change the debt service coverage requirements or the fund deposit requirements, as set forth in Exhibit I attached hereto; provided, however, that this provision shall not preclude increases in the amounts

payable pursuant to such requirements where such increases result solely from the application of such requirements resulting from the issuance of General Airport Revenue Bonds or Junior Lien Obligations in accordance with this Article VIII on or after the date on which the pledge of Revenues under the General Airport Revenue Bond Ordinance becomes effective.

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

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

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

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

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

At least thirty (30) days prior to making any Capital Expenditure (or other permitted expenditure), except Capital Expenditures for Capital Projects of the Fueling System, described in Section 8.01, City shall give written notice thereof to Airline. Such notice shall include an estimate of (a) the cost of the Capital Project, (b) the Operation and Maintenance Expenses resulting therefrom, (c) the sources and uses of funds, (d) the construction schedules, description, and justification for any such Capital Project, and (e) the projected impact on Airport Fees and Charges, all in sufficient detail to enable the Airline to make informed comments thereon. Airline may submit to City written comments on such

Capital Project within twenty (20) days following receipt by Airline of such notice. City shall give due consideration to any such comments filed in a timely manner by Airline. Upon timely request by a Majority-in-Interest, City shall convene a meeting of Airline Parties and City to discuss such Capital Project.

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

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

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

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

(a) Except as provided in this Article VIII, City shall not make any Capital Expenditures for any Capital Project, except for preliminary planning and conceptual design work, or issue any obligations to finance the cost thereof,

unless and until such Capital Project and the financing thereof has been approved by a Majority-in-Interest.

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

Section 8.06 - Method of Obtaining Approval

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

Section 8.07 - Issuance of Obligations by Persons Other Than City

In the event that pursuant to the Special Facility Use Agreement by and between Delta Air Lines, Inc. and City, dated as of August 1, 1982, or an agreement between City and another Airline Party pursuant to Section 9.14, a person other than City issues obligations giving rise to Special Facility Revenue Bond and Other Debt Service, (a) the provisions of this Article VIII shall apply to the issuance of such obligations, and (b) such Airline Party shall provide City with all information necessary for City to comply with the notice requirements of this Article VIII.

ARTICLE IX

AIRPORT DEVELOPMENT PLAN; CONSTRUCTION OF CAPITAL PROJECTS

Section 9.01 - Approval of Airport Development Plan

City and Airline each hereby approve the Airport Development Plan attached hereto as Exhibit B. Such approval includes, without limitation, approval of the following items set forth in Exhibit B attached hereto: (a) the Capital Projects described therein, (b) the project scope, descriptions and diagrams of such Capital Projects, (c) the allocation among Cost-Revenue Centers of such Capital Projects, (d) the Airline-Funded Cost of each such Capital Project, (e) the designation as a Priority I Capital Project or a Priority II Capital Project of certain Capital Projects, (f) the inclusion of certain Capital Projects in Category 1 or Category 2, and (g) the estimated commencement and completion dates for each such Capital Project.

Section 9.02 - Governmental Approvals

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

Section 9.03 - Plans and Specifications; Terminal Structure Finish Standards

(a) City shall, in due course, prepare detailed construction drawings, plans and specifications, and cost estimates for each Capital Project described in the Airport Development Plan, except Capital Projects of the Fueling System, and shall refine the descriptions and diagrams, and the estimated commencement and completion dates, for each such Capital Project; provided, however, that any change in an estimated commencement or completion date shall be consistent with the provisions of Section 9.06(d) and Section 9.11; and provided further, that City shall not materially decrease the total square footage of any Capital Project in the Terminal Area. City shall provide Airline with copies of such detailed cost estimates, descriptions, diagrams and estimated commencement and completion dates. If the detailed cost

estimates for any Capital Project are greater than the Airline-Funded Cost therefor, City shall, consistent with its other agreements and obligations under this Article IX, give due consideration to any comments submitted by any Airline Party as to methods that may be employed to reduce such estimated costs. City shall design and construct the Capital Projects in accordance with design and construction standards which City shall establish for the purpose of ensuring a uniformity of quality for all facilities of similar nature and use at the Airport.

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

(c) Any additional cost resulting from (i) an improvement to a Terminal Structure, other than those improvements required to meet the Terminal Structure finish standards described in Exhibit Q attached hereto, or (ii) any moving sidewalks or other horizontal moving devices which are located in concourses, tunnels or other passageways directly serving passenger hold rooms associated with an Airline Party's Aircraft Parking Area, shall be deemed to be a tenant improvement for the Airline Party or Airline Parties occupying such premises, and funding of such additional cost with General Airport Revenue Bonds or Junior Lien Obligations shall be subject to the provisions of Section 9.12.

Section 9.04 - Construction

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

(b) Each contract for construction work in an amount in excess of $5,000,000 awarded by City or its agents after the Effective Date for a Capital Project described in the Airport Development Plan shall be publicly bid and awarded to the lowest responsible bidder who has the experience and resources required to perform the work described in such contract;

provided, however, that this requirement shall not apply if City determines in good faith that there is only one contractor with the resources and experience necessary to perform the work. City may delegate responsibilities for the designing, construction and equipping of Capital Projects; provided, however, that with respect to contracts awarded after the Effective Date, City shall retain the power and authority to, and shall, enforce all terms and provisions of all design and construction contracts. City shall diligently pursue all appropriate remedies against architects, engineers and contractors for defective design or work with respect to Capital Projects which are described in the Airport Development Plan or which are otherwise approved by a Majority-in-Interest.

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

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

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

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

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

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

(i) the costs allocable to each CRC; and

(ii) for such costs allocable to the Terminal Area, the costs allocable to (1) Exclusive Use Premises of all Airline Parties (excluding Exclusive Use Premises which are part of a Special Facility Improvement), (2) any Exclusive Use Premises which are part of a Special Facility Improvement, (3) tenant improvements pursuant to Sections 9.12, (4) relocation costs incurred pursuant to Section 9.13, (5) Type A Public Use Premises, (6) Type B Public Use Premises, (7) those capitalized costs of implementing the provisions of this Agreement described in Section 8.02(a)(vii), (8) those Capital Projects enumerated in Section 5.05(b), and (9) the costs of funding or refinancing required deposits into the Operation and Maintenance Reserve Fund;

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

Section 9.05 - Airline Cooperation

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

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

Section 9.06 - Priorities

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

(b) So long as City has the power and right, in accordance with all applicable laws, ordinances, rules, regulations, and orders (other than those of City), to issue General Airport Revenue Bonds, Junior Lien Obligations or Special Facility Revenue Bonds, City shall, pursuant to Section 8.02, diligently proceed to issue General Airport Revenue Bonds or Junior Lien Obligations (or, upon request of an Airline Party pursuant to Section 9.14, Special Facility Revenue Bonds, or both) in an amount sufficient to fund the cost of designing, constructing and equipping each Priority I Capital Project described in the Airport Development Plan, and to fund all related costs of issuance and associated financing costs, including but not limited to, costs of capitalized interest, debt service coverage requirements, credit facility fees and required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing such obligations. City shall, pursuant to Section 8.01, use the proceeds of the sale of said bonds to design, construct and equip each Priority I Capital Project for which it has obtained all necessary governmental approvals. Without limiting the foregoing, City shall use its best efforts and employ every

reasonable means to commence and complete each Priority I Capital Project for a cost which will not require obligations to be issued in excess of the amount required to pay the Airline-Funded Cost of such Priority I Capital Project. The highest possible priority will be given to the construction and equipping of those Capital Projects described in the Airport Development Plan constituting the expanded domestic Terminal Structure (including Terminal Building No. 1 (including the associated satellite concourse building) and all concourse extensions).

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

Section 9.07 - Sources of Funds

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

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

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

(d) The actual cost of designing, constructing and equipping each Priority I Capital Project or component thereof ("Final Contract Cost") shall be finally determined and certified pursuant to Section 9.04(h). In the event that the Final Contract Cost is greater than the greater of the Airline-Funded Cost or the Contract Cost, the amount, if any, remaining in the Funding Contingency Reserve for such project or component, after the reduction, if any, pursuant to subsection (c) above, shall, upon notice to the Airlines' Representative,

be further reduced (but not to less than zero) by the amount of any such excess. The amount, if any, remaining in the Funding Contingency Reserve for such Priority I Capital Project or component after the reduction, if any, described above may, upon notice to the Airlines' Representative, be allocated by City to increase the Airline-Funded Costs of any Priority II Capital Project or Projects.

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

(f) City, upon its determination that the cost of designing, constructing and equipping a Priority II Capital Project will exceed the Airline-Funded Cost, and upon notice given to Airline, may from time to time increase the Airline-Funded Cost of such Priority II Capital Project provided that the aggregate amount of all such increases shall not exceed five percent (5%) of the Airline-Funded Cost of such project, as adjusted only pursuant to Section 9.08.

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

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

Section 9.08 - Price Level Adjustments

The amounts designated as the Airline-Funded Costs of the Capital Projects described in the Airport Development Plan are stated in mid-year 1982 dollars regardless of the projected year of construction. For the purpose of determining the

limitation contained in Section 9.07(a) on the right of City to issue obligations and for the purpose of making the adjustments required by Sections 9.03(a), 9.06(b) and 9.07(a), (b), (c), (d), (e) and (f), 9.09 and 9.10, the Airline-Funded Costs of Priority I and Priority II Capital Projects, the Funding Contingency Reserves for Priority I Capital Projects and the Contract Costs of Priority I Capital Projects, shall be adjusted as follows:

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

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

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

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

(i) With regard to the determination with respect to Airline-Funded Costs, any costs actually incurred as of the date of the establishment of the Contract Cost ("Actual Costs") shall be adjusted back to mid-year 1982 costs by dividing such Actual Costs by the sum of one (1) plus the percentage change, expressed to four (4) decimal places (e.g., 0.1225 for a 12.25% increase), in the appropriate cost index from mid-year

1982 to the mid-point month of the period during which such costs were actually incurred.

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

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

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

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

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

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

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

Section 9.09 - Government Grants-in-Aid

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

Cost of a roadway improvement plus a Government Grant-in-Aid awarded for such roadway improvement exceeds the actual cost of such improvement, the Airline-Funded Costs of other roadway improvements included in the Airport Development Plan shall be reduced by the amount of such excess); and, provided further, that any Government Grants-in-Aid awarded to City prior to the Effective Date may be used by City for purposes other than for Capital Projects described in the Airport Development Plan.

Section 9.10 - Additional Costs

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

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

Section 9.11 - Special Conditions

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

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

(b) There are in effect Airport Use Agreements in which the aggregate number of square feet of premises designated as Additional Footage is not less than 530,000

square feet. For purposes of this Section 9.11(b), Additional Footage shall include the Additional Footage portion of an Airline Party's Phase II (or Phase III, if such Airline Party will have Phase III) Exclusive Use Premises prior to the Date of Beneficial Occupancy thereof.

Section 9.12 - Authority to Issue Obligations to Fund Tenant Improvements

Subject to the provisions of Sections 8.02 and 8.04, and this Section 9.12, and except to the extent that an Airline Party has been reimbursed pursuant to Section 9.13, City may issue General Airport Revenue Bonds or Junior Lien Obligations in an amount sufficient to pay, reimburse or refinance (a) the cost of tenant improvements to any Airline Party's Exclusive Use Premises, and (b) all related costs of issuance and associated financing costs, including, but not limited to, the cost of capitalized interest, debt service coverage requirements, credit facility fees and required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing such obligations. Such General Airport Revenue Bonds or Junior Lien Obligations may be issued in an amount sufficient to provide proceeds of not more than $20.00 per square foot of any Phase II (and Phase III, if applicable) Exclusive Use Premises of any Airline Party which were not included in such Airline Party's Phase I (or Phase II, if applicable) Exclusive Use Premises. City may issue such General Airport Revenue Bonds or Junior Lien Obligations and make available the proceeds thereof to any Airline Party, upon the written request of such Airline Party and its written agreement to (i) pay the Debt Service on the General Airport Revenue Bonds or Junior Lien Obligations issued at such Airline Party's request, (ii) use the proceeds of such General Airport Revenue Bonds or Junior Lien Obligations to build, purchase or otherwise acquire such items of personal property or fixtures as are commonly in use at the Airport or at other comparable airports and as are not primarily identified with or usable only by such Airline Party, and (iii) assume all maintenance, operation and repair responsibilities for such improvements; provided, however, that City shall not issue General Airport Revenue Bonds or Junior Lien Obligations at the request of any Airline Party which is in default under its Airport Use Agreement or which cannot demonstrate, to the satisfaction of City, its ability to pay the Debt Service attributable to such obligations. Airline's obligation to pay Debt Service on General Airport Revenue Bonds or Junior Lien Obligations issued pursuant to this Section 9.12 shall be limited to (1) Debt Service on any such General Airport Revenue Bonds or Junior Lien Obligations issued at Airline's request and (2) a prorata

share of Debt Service on any such General Airport Revenue Bonds or Junior Lien Obligations issued at another Airline Party's request as a result of such Debt Service being included in O & M Expenses upon such other Airline Party's default. Nothing in this Section 9.12 shall be construed as prohibiting any other means of financing tenant improvements for any Airline Party. Any tenant improvements financed pursuant to this Section 9.12 shall become and remain the property of City, and may not be removed by Airline from such premises.

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

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

Section 9.14 - Special Facility Improvements

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

Section 9.15 - Construction of Fueling System

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

ARTICLE X

AIRPORT DEVELOPMENT FUND

Section 10.01 - Introduction

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

Section 10.02 - Airport Development Fund Payment Requirements

Beginning with the first Fiscal Year following the earlier to occur of (a) the Date of Beneficial Occupancy with respect to any Exclusive Use Premises in Terminal Building No. 1 and (b) December 31, 1989, and continuing for each Fiscal Year thereafter, there shall be included in the calculation of Airport Fees and Charges an amount equal to twenty percent (20%) of the amount by which Concession Revenues, as reflected in the Final Audit for such Fiscal Year, exceed Concession

Revenues for the last full calendar year preceding the Effective Date (the "Airport Development Fund payment requirement"), which payment requirement shall be adjusted in accordance with Section 10.03.

Section 10.03 - Airport Development Fund Payment Requirement Adjustments

(a) In each Fiscal Year, the Airport Development Fund payment requirement, if any, shall be reduced, but not below zero, by an amount equal to fifty percent (50%) of the amount, if any, deposited by City into the Airport Fund or transferred to the Trustee for deposit into the Revenue Fund for such Fiscal Year from Net Revenues of the Land Support Area pursuant to Section 13.03.

(b) In each Fiscal Year, the Airport Development Fund payment requirement, if any, shall be reduced, but not below zero, by an amount equal to fifty percent (50%) of the amount, if any, deposited by City into the Airport Development Fund from the Emergency Reserve Fund pursuant to subsection (a) of Section 11.03.

(c) In each Fiscal Year, the Airport Development Fund payment requirement, if any, shall be reduced, but not below zero, by the amount by which (i) any passenger facility charge or similar tax at the Airport collected by City during such Fiscal Year (net of the amount, if any, of expenses incurred by City in the imposition and collection of such a charge or tax), exceeds (ii) the amount, if any, of Federal government funding eliminated and replaced by such passenger facility charge or similar tax for such Fiscal Year, as measured by Government Grants-in-Aid under the Airport and Airway Development Act of 1970, as amended, supplemented, or superseded, from time to time, for the Airport in the Fiscal Year immediately preceding the Fiscal Year in which such passenger facility charge or similar tax is first imposed.

Section 10.04 - Payments out of Airport Development Fund

(a) City may make payments out of the Airport Development Fund for one or more of the following uses at or related to (i) the Airport, (ii) Chicago-Midway Airport and Merrill C. Meigs Field, if owned or operated by City as of the Effective Date, or (iii) any airport other than those described above owned or operated by City and approved by a Majority-in-Interest: (1) construction, improvement or repair of runways, taxiways or facilities incidental thereto; (2) installation and maintenance of navigational aids; (3) purchase of land for clear zones and runway and taxiway expansion; (4) aircraft

parking areas used in common and not directly adjacent to any exclusive use facilities; (5) roadways, automobile parking lots and garages, and ground transportation systems; (6) heating and refrigeration facilities and other facilities related to utilities (except any such facilities which exclusively serve exclusive use facilities); and (7) improvements to any portion of any structure, which portion is not exclusively used by any person.

(b) Notwithstanding the foregoing, (i) with respect to any airport other than the Airport, payments may not be made out of the Airport Development Fund for improvements to passenger terminals or roadways, automobile parking lots and garages, or aircraft parking areas which directly serve passenger terminals, and (ii) with respect to the Airport and any other airport, payments may not be made out of the Airport Development Fund for any improvements which directly and exclusively benefit any person or persons in the Air Transportation Business.

(c) In the event there are, in any Fiscal Year, Terminal Area Rentals, Terminal Area Use Charges, Landing Fees, Fueling System Fees or indemnification payments pursuant to Section 19.01(a)(ii), (iii) or (iv) of any Airline Party, or rentals, charges and Federal Inspection Service Fees of any person engaged in the Air Transportation Business imposed for the use of the International Terminal Area, unpaid when due and reasonably deemed uncollectible by City after collection efforts have been undertaken in accordance with Section 16.03, and if amounts in the Emergency Reserve Fund available pursuant to Section 11.03(b) to pay such fees, charges and rentals have been exhausted, City shall make payments out of "Unobligated Funds", as below defined, in the Airport Development Fund to pay such fees, charges and rentals before including such fees, charges and rentals in the calculation of Airport Fees and Charges. "Unobligated Funds" means all funds in the Airport Development Fund in excess of the aggregate cost of all improvements to be funded from the Airport Development Fund pursuant to notice given in accordance with Section 8.03 or Majority-in-Interest approval granted in accordance with the procedure set forth in Section 8.06.

Section 10.05 - Investment of Airport Development Fund

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

ARTICLE XI

EMERGENCY RESERVE FUND

Section 11.01 - Introduction

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

Section 11.02 - Emergency Reserve Fund Payment Requirements

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

Section 11.03 - Payments Out of Emergency Reserve Fund

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

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

(c) In the event of any awards, judgments or settlements resulting from any of the events described in 19.01(a)(i), City shall make payments out of the Emergency Reserve Fund in

respect of such awards, judgments or settlements (but only to the extent there are no proceeds of insurance available therefor) before including any amounts attributable thereto as O&M Expenses in the calculation of Airport Fees and Charges.

Section 11.04 - Investment of Emergency Reserve Fund

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

ARTICLE XII

TERMINAL SUPPORT AREA

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

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

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

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

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

ARTICLE XIII

LAND SUPPORT AREA

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

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

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

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

(d) City shall not remove or permit to be removed any concession located in another Cost-Revenue Center in order to

relocate such concession in the Land Support Area, City shall not induce any prospective concession operator to locate in the Land Support Area rather than in another Cost-Revenue Center. In no event shall any car or vehicle rental concession be located in the Land Support Area. City shall not charge rates for any public parking facility operated in the Land Support Area below the lowest rates charged for public parking facilities in the Terminal Support Area. Nothing contained in this Article XIII shall be construed to relieve City of its obligation to maximize Concession Revenues pursuant to Section 16.01(c).

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

Section 13.02 - Net Revenues of the Land Support Area

The Net Revenues of the Land Support Area for any Fiscal Year shall equal, in the case of a positive number:

(a) All amounts received or receivable directly or indirectly by City, for such Fiscal Year, for the use of, with respect to, or from the operation of, the Land Support Area; minus

(b) Principal payments, interest payments, fund deposits and all other associated financing costs, for such Fiscal Year, of the Land Support Area; minus

(c) O&M Expenses, for such Fiscal Year, of the Land Support Area identified in accordance with Section 6.02.

City shall separately account for the Net Revenues of that portion of the Land Support Area as described in Section 13.04.

Section 13.03 - Deposit Into Airport Development Fund; Credit to Terminal Support Area

With regard to that portion of the Land Support Area other than the portion described in Section 13.04, City shall,

for each Fiscal Year, deposit into the Airport Fund, or, when the pledge of Revenues under the General Airport Revenue Bond Ordinance is in effect, transfer to the Trustee for deposit into the Revenue Fund, in either case for subsequent deposit into the Airport Development Fund, an amount equal to fifty percent (50%) of the Net Revenues, if any, of such portion of the Land Support Area for such Fiscal Year, determined in accordance with Section 13.02; provided, however, that, to the extent that such fifty percent (50%) of the Net Revenues of such portion of the Land Support Area exceeds twice the Airport Development Fund payment requirement established pursuant to Section 10.02, one-half (1/2) of such excess shall be paid out of the Airport Fund or Revenue Fund, as the case may be, into the Airport Development Fund and one-half (1/2) of such excess shall be Non-Use Agreement Revenues of the Terminal Support Area.

Section 13.04 - Central Parking Area

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

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

ARTICLE XIV

INTERNATIONAL TERMINAL AREA

Section 14.01 - Fees and Charges

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

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

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

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

plus

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

plus

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

minus

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

minus

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

minus

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

ARTICLE XV

RESPONSIBILITIES OF AIRLINE

Section 15.01 - Maintenance, Replacement and Repair

(a) Airline shall, in accordance with Exhibit N attached hereto, be responsible for and shall perform or cause to be performed, maintenance and repair of its Exclusive Use Premises, and shall clean and keep clear of debris Airline's Aircraft Parking Areas. Airline's responsibility for maintenance, replacement and repair of the Fueling System shall be governed by the terms of the Fueling System Lease. Airline shall, at all times:

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

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

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

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

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

Section 15.02 - Modifications to Exclusive Use Premises

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

(b) Airline shall, and shall include in all construction contracts a provision requiring the contractor to, indemnify, hold harmless and defend City, its officers, agents

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

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

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

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

Section 15.03 - Taxes, Licenses and Permits

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

Section 15.04 - Installation of Machinery and Equipment

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

City shall not have any interest in or landlord's lien on any such machinery, equipment or personal property, and such machinery, equipment and personal property shall be identified as the property of Airline.

Section 15.05 - Liens Prohibited

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

Section 15.06 - Performance by City upon Failure of Airline

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

Section 15.07 - Airline Books and Records

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

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

Airline shall maintain its corporate existence, shall not dissolve or otherwise dispose of all or substantially all of its assets, and shall not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, unless the surviving, resulting or transferee corporation, as the case may be, (a)

expressly assumes in writing all of the obligations of Airline hereunder, (b) is qualified to do business in the State of Illinois, and (c) if such corporation is not organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia, delivers to City an irrevocable consent to service of process in, and to the jurisdiction of the courts of, the State of Illinois with respect to any action or suit, at law or in equity, brought by City to enforce this Agreement.

Section 15.09 - Qualification in the State of Illinois

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

ARTICLE XVI

OBLIGATIONS OF CITY

Section 16.01 - Operation and Maintenance of Airport

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

(b) City shall operate and maintain the Airport, and any other airport for which City makes payments out of funds in the Airport Development Fund, in a reasonably prudent manner and in accordance with the rules, regulations and orders of any Federal or State agency having jurisdiction with respect thereto.

(c) City shall operate the Airport and lease space to concessionaires in a manner so as to produce, subject to the provisions of this Agreement, Concession Revenues of a nature and amount which would be produced by a reasonably prudent airport operator and to maximize such Concession Revenues to the extent reasonably practicable. At least forty-five (45) days before any concession agreement is entered into between City and any concessionaire with respect to the use of any space or facilities at the Airport (excluding the Land Support Area), City shall furnish Airline with a copy of such proposed

agreement, along with a general description of the expected impact, if any, on Airline's use of its Exclusive Use Premises. The Commissioner shall give due consideration to any comments submitted in a timely manner by Airline on such proposed agreement, and shall, if requested by Airline, meet with Airline to discuss the expected impact, if any, on Airline's use of its Exclusive Use Premises.

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

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

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

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

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

(i) City shall maintain order at the Airport.

Section 16.02 - Performance by Airline upon Failure of City

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

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

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

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

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

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

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

(iii) then, the remainder, if any, to the Emergency Reserve Fund to the

extent amounts from such fund were used to pay such fees, charges or rentals.

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

ARTICLE XVII

RULES AND REGULATIONS; COMPLIANCE WITH LAWS

Section 17.01 - Rules and Regulations

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

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

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

Section 17.02 - Compliance with Laws

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

ARTICLE XVIII

EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

Section 18.01 - Governmental Functions

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

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

Section 18.02 - No Authority to Conduct Ground Transportation Business

Except as provided in Section 3.04(b) nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to Airline to operate motor coaches, buses, taxicabs or other vehicles carrying passengers or property for hire or other consideration over the public ways to and from the Airport. City shall have the right to grant such franchise, license, permit or consent to any person other than a person in the Air Transportation Business.

ARTICLE XIX

INDEMNITY, INSURANCE AND CONDEMNATION

Section 19.01 - Indemnity

(a) Airline shall pay, and shall protect, indemnify and save City, its agents, officers and employees, harmless from and against any and all liabilities, losses, damages, costs and expenses (including attorneys' fees and expenses),

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

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

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

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

relocation, remodeling and equipping thereof or thereto; or

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

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

Section 19.02 - Insurance Maintained by Airline

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

Section 19.03 - Insurance Maintained by City

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

City shall maintain, or cause to be maintained, the following insurance with respect to the Airport (except the Land Support Area):

(a) Insurance against loss or damage under a policy or policies covering such risks as are ordinarily insured against by reasonably prudent operators of airports, including without limiting the generality of the foregoing, fire, lightning, windstorm, hail, floods, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke and uniform standard extended coverage with vandalism and malicious mischief endorsements, and all-risk coverage, limited only as may be provided in the standard form, if any, of such endorsements at the time in use in the State of Illinois. Such insurance shall be maintained in an amount not less than the full insurable replacement value of the insured premises. No policy of insurance shall be written such that the proceeds thereof will produce less, by reason of co-insurance provisions or otherwise, than the full insurable replacement value of the insured premises. Full insurable replacement value of any insured premises shall be deemed to equal the actual replacement cost of the premises, and shall be determined from time to time, but not less frequently than once every three years, by an architect, contractor, appraiser or appraisal company or one of the insurers, in any case, selected by City. In the event that such determination of full insurable replacement value indicates that any premises in the Airport (other than the Land Support Area) are underinsured, City shall forthwith secure the necessary additional insurance coverage.

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

(c) Boiler or pressure vessel explosion insurance with coverage on a replacement cost basis as provided in subsection (a) of this Section 19.03 for property damage, but any such policy may have a deductible amount not exceeding $10,000. No such policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the first sentence of this subsection (c) by reason of co-insurance provisions or otherwise.

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

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

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

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

Section 19.04 - Use of Insurance Proceeds

(a) If Airline's Exclusive Use Premises or Airline's Aircraft Parking Area, or any portion thereof, are damaged or destroyed by fire or other casualty, City, after consultation with Airline, shall, to the extent of proceeds of insurance received with respect to such premises, forthwith repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed premises to (i) substantially the same condition, character and utility value (based upon the plans and specifications for such premises, subject to then-existing Airport building standards) as existed prior to the event causing such damage or destruction, or (ii) such other condition, character and value as may be agreed upon by City and Airline. If no obligations issued pursuant to Article VIII are then outstanding, and if Airline's Exclusive Use Premises, or any portion thereof, are rendered untenantable by reason of such damage or destruction, then, unless City provides Airline with alternative Exclusive Use Premises substantially equivalent to those rendered untenantable, Airline shall be entitled to a prorata abatement of its Terminal Area Rentals and Terminal Area Use Charges until Airline's Exclusive Use Premises are restored pursuant to this Section 19.04(a).

(b) If any part of the Airport other than Exclusive Use Premises, Aircraft Parking Areas and Land Support Area are damaged or destroyed by fire or other casualty, City, after consultation with Airlines' Representative, shall, to the extent of proceeds of insurance received with respect to such premises, forthwith repair, reconstruct and restore (subject to

unavoidable delays) the damaged or destroyed premises to (i) substantially the same condition, character and utility value (based upon the plans and specifications for such premises, subject to then-existing building standards) as existed prior to the event causing such damage or destruction, (ii) or such other condition, character and value as may be agreed upon by City and a Majority-in-Interest.

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

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

Section 19.05 - Condemnation

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

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

(c) In the event of a Partial Taking with respect to any Airline Party or Airline Parties, if the net proceeds of any award received by City on account of such Partial Taking are insufficient to restore or replace the premises so taken, as provided above, so long as City has the right and power to issue General Airport Revenue Bonds or Junior Lien Obligations, City shall nevertheless restore or replace (subject to unavoidable delays) the premises subject to such Partial Taking, and may issue General Airport Revenue Bonds or Junior Lien Obligations and pay the cost of the deficiency (the "Condemnation Award Deficiency") from the proceeds of such issuance. The Debt Service on General Airport Revenue Bonds or Junior Lien Obligations issued to fund the amount of a Condemnation Award shall be allocated in accordance with Section 6.01 and shall be included in the computation of Airport Fees and Charges.

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

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

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

(i) Such Airline Party shall receive such portion of the net proceeds received by City on account of such taking as is attributable to such Airline

Party's non-removable tenant finishes and equipment; and

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

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

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

ARTICLE XX

BOOKS AND RECORDS OF CITY

Section 20.01 - City Books and Records

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

ARTICLE XXI

QUIET ENJOYMENT

Section 21.01 - Covenant of Quiet Enjoyment

Upon the payment by Airline of all Landing Fees, Terminal Area Rentals, Terminal Area Use Charges and Fueling

System Fees properly charged to Airline and the performance of the covenants and agreements on the part of Airline to be performed hereunder, Airline shall peaceably have and enjoy the premises, appurtenances, facilities, licenses and privileges granted herein.

ARTICLE XXII

SUBLEASE AND ASSIGNMENT

Section 22.01 - Sublease and Assignment of Exclusive Use Premises

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

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

(ii) Any sublease or assignment of less than all of Airline's Exclusive Use Premises shall be subject to the prior written approval of the Commissioner, which approval shall not be unreasonably withheld; and any sublease or assignment of all of Airline's Exclusive Use Premises (other than an assignment made to a surviving, resulting or transferee corporation which meets all of the criteria set forth in Section 15.08) shall be subject to the prior approval of the City Council of City.

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

Section 22.02 - Assignment by City

City may assign, in accordance with the General Airport Revenue Bond Ordinance, if applicable, and with the terms of this Agreement, certain of its interests in and pledge certain revenues and receipts under this Agreement as security

for payment of the principal of, premium, if any, and interest on obligations issued pursuant to Section 8.02.

ARTICLE XXIII

TRANSITION

Section 23.01 - Transfer of Funds

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

Section 23.02 - Fiscal Year Preceding Effective Date

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

Section 23.03 - Fiscal Year Beginning With Effective Date

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

ARTICLE XXIV

TERMINATION BY CITY

Section 24.01 - Events of Default Defined

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

(a) The failure by Airline to pay any Landing Fees, Terminal Area Rentals, Terminal Area Use Charges or Fueling

System Fees required to be paid hereunder at the times specified herein;

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

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

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

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

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

(g) The failure by Airline to observe and perform any covenant, condition or agreement in this Agreement on the part of Airline to be observed or performed, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, given to Airline by City, unless City agrees in writing to an extension of such time prior to its expiration; provided, however, that any such failure which can be cured but which cannot with due diligence be cured

within such thirty (30) day period shall not constitute an Event of Default if corrective action is instituted by Airline within the applicable period and diligently pursued until the failure is corrected.

Section 24.02 - Remedies on Default

Whenever an Event of Default has occurred and is continuing, City, to the extent permitted by law and upon written notice to Airline, may, subject to the provisions of any other Agreement then in effect between Airline and City, take any one or more of the following remedial steps:

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

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

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

Section 24.03 - No Remedy Exclusive

No remedy conferred upon or reserved to City in this Agreement shall be exclusive of any other available remedy, and each such other remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or nowor hereafter existing at law or in equity or by statute. No delay or omission in exercising any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle City to exercise any remedy it has under this Agreement, it shall not be necessary

to give any notice other than such notice as may be herein expressly required.

Section 24.04 - Agreement to Pay Attorneys' Fees and Expenses

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

ARTICLE XXV

TERMINATION BY AIRLINE

Section 25.01 - Termination by Airline

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

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

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

(c) The default by City in the performance of any covenant or agreement required to be performed by City herein, and the failure by City to remedy such default after written notice thereof has been delivered to City, unless (i) City takes prompt action to remedy such default, within a period of

thirty (30) days after receipt from Airline of such notice, or (ii) in the case of any such failure which cannot with due diligence be cured within such thirty (30) day period, if City takes corrective action within the sixty (60) day period and diligently pursues such action until the failure is cured; or

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

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

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

Section 25.03 - No Remedy Exclusive

No remedy conferred upon or reserved to Airline in this Agreement shall be exclusive of any other available remedy, and each such other remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission in exercising any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Airline to exercise any remedy it has under this Agreement, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

ARTICLE XXVI

EQUAL OPPORTUNITY

Section 26.01 - Equal Opportunity

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

Airline will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

Airline agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 26.01. Airline further agrees that this clause will be incorporated in all contracts entered into with any suppliers of materials or furnishers of services, contractors and subcontractors, and all labor organizations, which furnish skilled, unskilled and craft union skilled labor, or which may perform any such labor or services in connection with this Agreement.

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

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

Section 26.02 - Non-Discrimination

This Agreement involves the use of or access to space on, over or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public.

Airline, for itself, its personal representatives, successors in interest, and assigns, as part of the considera-

tion hereof, does hereby covenant and agree, as a covenant running with the land, that (a) no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (b) that no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (c) that Airline shall use the premises in compliance with all other requirements imposed by or pursuant to regulations of the Department of Transportation.

Section 26.03 - Prohibition Against Exclusive Rights

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

Section 26.04 - Non-Discrimination in Furnishing Services

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

Section 26.05 - Affirmative Action

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

ARTICLE XXVII

MISCELLANEOUS

Section 27.01 - Parity of Treatment

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

Section 27.02 - Notices

All notices to City provided for herein shall be in writing and shall be sent by registered mail, postage prepaid, addressed to the Commissioner of the Department of Aviation of the City of Chicago, City Hall, Chicago, Illinois 60602, or to such other address as City may designate from time to time by notice to Airline, and shall be deemed given when so mailed. All notices to Airline provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to Airline, Miami International Airport, Miami, Florida 33148, or to such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

Section 27.03 - Severability

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

Section 27.04 - No Additional Waiver Implied by One Waiver

In the event any agreement contained in this Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder.

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

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

Section 27.06 - Distribution of Funds upon Termination

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

Section 27.07 - No Abatement or Set-off

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

Section 27.08 - Provisions Relating to Special Facility Agreement

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

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

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

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

IN WITNESS WHEREOF, City has caused this Agreement to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of City, and its seal to be hereunto affixed and attested by the City Clerk of City, and Airline has caused this Agreement to be executed on its behalf by its _____ President and its _____

Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

Attest:

City Clerk

CITY OF CHICAGO

Harold Washington

Mayor

Approved:

Comptroller

DEPARTMENT OF AVIATION

Commissioner

Approved:

Corporation Counsel

Attest:

Asst Secretary

Eastern Air Lines, Inc.

By: Staff Vice President

Administration

NOV 18 1987

HOPKINS & SUTTER

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

Craig

THREE FIRST NATIONAL PLAZA CHICAGO 60602 (312) 558-6600 TELEX 206231

WASHINGTON, D.C. OFFICE 1050 CONNECTICUT AVENUE, N.W. 20036
DALLAS OFFICE 645 EAST JOHN CARPENTER FREEWAY 75062

EMILY K. NEUBERGER
(312) 558-6592

November 16, 1987

By Federal Express

NOV 17 1987

Mr. Gary Lantner
Vice President-Properties
and Purchasing
Eastern Air Lines, Inc.
Building 16, Room 622
Miami International Airport
Miami, Florida 33148

Re: Chicago-O'Hare International Airport Amended and Restated Airport Use Agreement and Terminal Facilities Lease between the City of Chicago and Eastern Air Lines, Inc.

Dear Mr. Lantner:

Enclosed for insertion in the binder you previously received containing the above-referenced document is one copy of the signature page executed on behalf of the City of Chicago and Eastern Air Lines, Inc.

Very truly yours,

Emily K. Neuberger

ck
Enclosure

cc: Earl F. Hord
David Narefsky, Esq.
Chuck Rowe
Lynn H. Goldschmidt, Esq.

Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

Attest:

_____
City Clerk

CITY OF CHICAGO

_____
Mayor

Approved:

_____
Comptroller

DEPARTMENT OF AVIATION

_____
Commissioner

Approved:

_____
Corporation Counsel

Attest:

_____
_____ Secretary

_____

By: _____
_____ President

EXHIBIT "J"

UNITED
CONTRACT
156310

SUBLEASE OF SPACE

This Sublease Agreement (the "Sublease") is made as of July 15, 2001, by and between Eastern Air Lines, Inc. a Delaware corporation ("Sublandlord") and United Air Lines, Inc., a Delaware corporation with P. O. Box 66100, Chicago, Illinois 60666 as its mailing address ("United").

RECITALS

A. City of Chicago, as landlord (the "City") and Sublandlord as tenant, entered into a lease for airport space, dated January 1, 1985 (the "Lease"), with respect to a portion of the airport premises and facilities (the "Property") located in Terminal 2 – F Concourse of Chicago O'Hare International Airport (the "Airport"), the space leased by Eastern Airlines, Inc. from the Airport to be referred to as the "(Premises"). For purposes of this Sublease, the term "Lease" means and includes, collectively, all endorsements, modifications and amendments thereto.

B. Sublandlord, subject to the consent of the Airport, wishes to sublease to United, and United wishes to sublease from Sublandlord, on the terms and provisions and subject to the conditions of this Sublease, the Subleased Premises, consisting of 3,065 square feet on the Upper Level of Concourse F and 140 square feet on the Apron Level of Concourse F, all as more specifically described and delineated in Exhibit A hereto (hereinafter, the "Subleased Premises").

Accordingly, Sublandlord and United agree as follows:

1. Agreement. Subject to the consent of the Airport, Sublandlord subleases the Subleased Premises to United, and United subleases the Subleased Premises from Sublandlord, in accordance with and subject to all the terms of this Sublease and the Lease, except as otherwise provided herein.

2. Term. The term of this Sublease shall commence on the earlier to occur of (A) July 15, 2001, or (B) the date that United first occupies the Subleased Premises for the conduct of its business ("Sublease Commencement Date), and it shall continue and remain in effect, consistent, with the terms and provisions hereof, until June 30, 2009. Subject to the terms, provisions and conditions hereinafter set forth, the Sublandlord hereby grants to United an option to extend the term of this Sublease to May 11, 2018 on the same terms, conditions and provisions as contained in this Lease; provided that the following conditions are met: (1) United provides written notice to Sublandlord of its intent to exercise the option to extend this Sublease prior to December 31, 2008, (2) the Sublease is in full force and effect, and (3) no event of default has occurred and is continuing under the Sublease.

3. Representation and Covenant by Sublandlord.

3.1 Sublandlord represents and warrants and covenants to United that (A) the Lease has not been amended or modified except for those modifications and amendments disclosed and provided to United; (B) Sublandlord has not received or sent to the Airport a written notice of

[redacted]

default under the Lease; and (C) Sublandlord has no knowledge of any default by the Airport or any default or alleged default by Sublandlord, as tenant under the Lease.

3.2 Sublandlord hereby covenants and agrees to pay and discharge, in full and in a timely fashion, all rental and other monetary obligations under the Lease. Sublandlord agrees to indemnify, defend and hold United harmless from and against any claim related to Sublandlord's failure to pay rent and other monetary obligations under the Lease.

4. Consideration.

4.1 Base Rental. United will pay Airport as base rent for the Subleased Premises ("Base Rental"), each month the sum of $10,247.31, or such other amount as the Airport may establish from time-to-time, such payment to be made on or before the first (1st) day of each month, without notice or invoice or demand, except as provided in this Sublease or the Lease. United acknowledges and agrees that in the event that Sublandlord's obligation for base rental under the Lease is increased or decreased, United's obligation for Base Rental under this Section 4.1 shall be correspondingly increased or decreased.

4.2 Additional Rental. In addition to Base Rental, United will pay Sublandlord as additional rent for the Premises ("Additional Rental") each month the sum of $12,760.00, such payment to be made on or before the first (1st) day of each month, without notice or invoice or demand, except as provided in this Sublease.

4.3 Operating Expenses and Taxes. In addition to Base Rental and Additional Rental, United shall be responsible for and shall pay to Sublandlord, within ten (10) days of Sublandlord's written invoice and demand, all Operating Expenses and Taxes (regardless of how denominated), payable by Sublandlord to the Airport under the Lease or other entities, including, by way of illustration and not a limitation, Operating Expenses attributable to janitorial services provided to common areas; pest control, heating, cooling and air conditioning, utilities, security, real estate taxes, landscaping, and snow removal.

In the case of any partial month, all payment obligations required under this Sublease shall be prorated on a per diem basis, based on a thirty (30)-day month. In addition, and notwithstanding the foregoing, no payment or charge, regardless of how denominated or characterized, shall be paid by or due from United, in the event and to the extent that any such charge was incurred for the exclusive benefit of the Sublandlord.

5. Acceptance of Subleased Premises; Alterations. Except as provided in Sections 5.1-5.2 below, United accepts the Subleased Premises in their condition as of the date of United's execution of this Sublease. Notwithstanding the foregoing, Sublandlord expressly agrees as follows:

5.1 Sublandlord will make no improvements, installations, alterations and repairs.

5.2 United shall not, and shall not be deemed to, undertake any obligation or assume any liability with respect to any Pre-existing Condition, as hereinafter defined. A Pre-Existing Condition shall mean for purposes hereof, any condition in, on, or within the Subleased Premises which, on Commencement Date fails to comply with or violates any applicable law (whether federal, state or local, statutory, regulatory, administrative or decisional), including any legal requirement or prohibition relating to Hazardous Materials. If United identifies any Pre-Existing Condition, United shall notify Sublandlord of such Pre-Existing Condition within 15 days of its discovery but no later than 90 days after the commencement of this Sublease. Within 30 days of discovery of a Pre-Existing Condition United must either (1) remedy the Pre-Existing Condition at United's sole cost and expense or (2) terminate this Sublease.

6. Use of Subleased Premises. United's use, occupancy of the Subleased Premises shall be for accommodation of passengers, employees or contractors of United. United additionally acknowledges and agrees that any alterations or improvements to the Subleased Premises shall be performed, if at all, at United's sole cost and expense, and shall be subject to the prior express written consent of Sublandlord and Airport in each instance. United acknowledges that it may not, and agrees that it shall not, make any improvements, alterations, changes or installations within the Subleased Premises, absent the prior written approval of the Airport and Sublandlord, to the same extent that consent or approval is required under the Lease with respect to any improvements, alterations, changes or installations by Sublandlord.

7. Services. Sublandlord agrees that it shall not perform any act or engage in any forbearance, which would adversely affect United's access to or usage of any services or utilities, which the Sublandlord is entitled to receive under the Lease. Sublandlord will not be obligated to provide United with any services or utilities.

8. Compliance with Law; Security Procedures. Without limiting to any extent Sublandlord's obligation to comply with all applicable laws, United agrees to comply with all applicable federal state and local laws and regulations where such compliance is required with respect to United's occupancy and use of the Subleased Premises. United acknowledges that it has in place appropriate procedures necessary to comply with all security requirements at the Airport, including those promulgated by the Federal Aviation Administration ("FAA") and the Airport, and to prevent or deter unauthorized access on the part of their respective agents, employees, vendors, licensees, passengers and invitees to operations areas and aircraft.

9.0 Incorporation of Lease. Except as otherwise or specifically provided in this Sublease with respect to rental obligation, tenant improvements, services, surrender, holdover, damage and destruction, default, assignment and subletting, term and any other provision of the Sublease reflecting the specific agreement between Sublandlord and United, United's use, occupancy of the

Subleased Space shall be governed by and subject to all the general terms and provisions of the Lease. Sublandlord and United additionally agree:

9.1 Sublandlord grants and United accepts the right to enforce each and every one of the Airport's obligations under the Lease to its satisfaction. United further agrees to release Sublandlord from any liability in the event United chooses, declines, or fails or enforce any such right under the Lease.

9.2 Sublandlord grants and United accepts all rights and benefits and obligations (including paragraph 3.2 Payment obligations of Sublandlord) granted to Sublandlord under the Lease.

9.3 Sublandlord covenants and agrees that it will not exercise any of its rights under the Lease, in the event and to the extent that such exercise might serve to increase United's obligations, diminish United's rights, or otherwise materially and adversely affect United's rights, interest and status under this Sublease, unless Sublandlord first obtains United's prior written consent. Termination of the Lease by the City will immediately terminate this Sublease.

9.4 Except to the extent expressly stated in this Sublease, nothing herein stated or omitted is intended (or shall be construed) to relieve, excuse or limit any of Sublandlord's obligations under the Lease.

10.0 Default; Termination.

10.1 If either party (the "Defaulting Party") fails to perform any of its duties or obligations under this Sublease, other than the payment of Base Rent or Additional Rent, and that failure continues for thirty (30) days after written notice of such default from the other party or such time as is reasonably necessary to remedy such default so long as the Defaulting Party is diligently and expeditiously proceeding to cure such default, then the non-defaulting party may terminate this Sublease at any time thereafter, effective immediately.

10.2 The failure by United to pay Base Rent or Additional Rent on the dates when due and in the amounts required under this Sublease which failure shall continue for 5 business days after Sublandlord has sent written notice to United of such failure, then Sublandlord may terminate this Sublease.

11. Assignment and Subletting. Subject to any requisite approval of the Airport, United may assign this Sublease or further sublet the Subleased Premises to a successor of all of its business and assets, or to any affiliated corporation, which, for purposes hereof, shall mean any entity which controls, is controlled by, or is subject to common control with United (control, for purposes hereof, including the ability to direct or influence the operations of an entity, directly or indirectly, by virtue of ownership of voting shares, contract or otherwise). United is granted the right of first refusal of any assignment of the Subleased Premises. Such right of first refusal will be in the form of 15 days written notice to United from Sublandlord prior to the effective date of any assignment to a third party. United's exercise of its right of first refusal for any assignment of the

Subleased Premises would be under the same terms and conditions as negotiated by Sublandlord and third party.

12. Signage. Subject to the prior written consent of the Airport, United shall have the signage rights granted to Sublandlord under the Lease; provided that and so long as United installs, maintains, repairs and removes such signage (at the end of the Sublease term).

13. Surrender of Subleased Premises; Holdover Occupancy

13.1 Surrender of Subleased Premises. At the termination of this Sublease by lapse of time or otherwise, United shall surrender possession of the Subleased Premises to Sublandlord, and shall return the Subleased Premises to Sublandlord in as good a condition as when United took possession thereof on the Sublease Commencement Date, except for (A) ordinary wear; (B) damage resulting from any act of Sublandlord, its employees, agents, contractors, invitees, licensees and guests; (C) any changes occasioned by condemnation; and (D) alterations made with Sublandlord's and/or Airport's consent and not required to be removed by United at Sublease termination.

13.2 Holdover Occupancy. In the event that the Subleased Premises are not surrendered upon the termination of this Sublease, United shall pay to Sublandlord for each day that United retains possession of the demised premises after the expiration or other termination of this Lease, an amount equal to (1) one hundred and fifty percent (150%) of the Base Rent and Additional Rent (as defined in Article 4 of this Lease) then in effect for each day of such retained possession or holding over (computed on the basis of a year comprised of 365 days). United shall have no exposure or obligation for any other damages (whether direct, indirect, special consequential damages) incurred by Sublandlord as a result of United's holdover occupancy, so long as United's holdover occupancy does not exceed one hundred and twenty (120) days.

14. Quiet Enjoyment: So long as United is not in default of any of its obligations and duties under this Sublease, United will peacefully have and enjoy the Subleased Premises without interference or hindrance by Sublandlord or those lawfully claiming under or in the name of Sublandlord.

15. Indemnity and Insurance.

15.1 Mutual Indemnification. Subject to the provisions for waiver of subrogation rights, Sublandlord and United each agree to defend, indemnify and save the other harmless from any and all claims with respect to bodily injury or property damage arising from any breach or default on the part of the indemnifying party (including, in the case of the Sublandlord's indemnity, any predecessor or either Sublandlord or United) to in the (A) performance of any covenant of Lease on its (or their) part to be performed pursuant to the terms of this Sublease; (B) arising from its negligence or willful misconduct or the negligence or willful misconduct of any of its agents or employees, and (C)

in the case of the defense and indemnity given by Sublandlord, arising prior to the Sublease Commencement Date, including all costs, reasonable counsel fees, expenses and liabilities incurred in or about any such claim; and if any action or proceeding is brought against either Landlord or Tenant by reason of any such claim, the indemnifying party, upon notice from the party to be indemnified, covenants to resist or defend such action or proceeding at its expense.

15.2 Insurance. United agrees to carry and keep in force the insurance coverage required of Sublandlord under the Lease. Additionally, United agrees to name Sublandlord and Airport as additional insureds on such insurance to the extent of the contractual liability required under the Lease.

16. Miscellaneous

16.1 Airport's Consent. In the event that the Airport's consent, approval, authorization or permission is required with respect to any action or forbearance by United in connection with United's use or occupancy of the Subleased Premises (including the Airport's approval of or consent to this Sublease), United will employ diligent efforts obtain such approval; provided, however, that United shall have no liability for its failure or inability to do so.

16.2 Entirety of Sublease; Amendments; Counterparts. This Sublease and Exhibit A hereto constitute the entire agreement between United and Sublandlord with respect to the subject matter hereof, and supersedes all prior oral or written representations or communications between the parties. This Sublease may not be changed, altered or modified in any respect except by an agreement in writing signed by the duly authorized representatives of both parties. In the event that any provision of this Sublease shall be deemed invalid, unenforceable or illegal, all remaining provisions of this Sublease shall remain in full force and effect, provided, however, that if, in such event, the purpose of this Sublease is defeated, significantly compromised or frustrated, then the parties agree to use their respective good faith efforts to negotiate the reformation or modification of this Sublease, as appropriate, in order to carry out their intent. In the event that the parties are unable to agree on a mutually acceptable reformation or modification, either party may terminate this Sublease upon thirty (30) days' prior written notice to the other party. This Sublease may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

16.3 Governing Law. This Sublease and any dispute or action in tort arising in connection with this Sublease shall be governed, construed, interpreted and enforced in accordance with the laws of the State in which the Subleased Premises are located, without regard to any choice of law principles.

16.4 Construction; Headings; Interpretation. This Sublease shall be construed on the premise that both parties jointly and equally contributed to its formation and negotiation, and no uncertainty or ambiguity will be

interpreted against any one party. All section headings and titles are intended solely for convenience and reference, and are not intended to explain, modify, limit or place any construction upon any of the provisions herein. In the event that any provision of this Sublease is capable of more than one construction, and one construction would render the provision void, invalid or unenforceable and the other would render the provision valid, the provision shall have the meaning that renders it valid. In addition, in this Sublease, unless otherwise expressly indicated or except where the context clearly requires otherwise

A. The terms "hereto," "herein," "hereof," "hereunder" or terms of any similar meaning or import will be deemed to refer to this Sublease; the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of the execution and delivery of this Sublease.

B. Terms importing the singular will be deemed also to mean and refer to the plural and vice versa, and the use of any gender shall be deemed to include all genders, all as the context may require.

C. The phrase "and/or" will mean that any one of the referenced alternatives or combination thereof will suffice or may be applicable; or including will not be construed as words of limitation, but shall be construed as if followed by the phrase "but not be limited to;"

F. Terms importing "persons" will include corporations, partnerships, trusts, firms, associations, limited liability companies and other legal entities, including public bodies, as well as natural persons;

G. Verbs used in the present tense will include the future tense as the context may require;

H. Whenever under the terms of this Sublease the time for performance of a covenant or condition (including a payment) falls on a Saturday, Sunday or a holiday, such time for performance shall be extended to the next business day. Otherwise, all references herein to "days" shall mean calendar days.

16.5 Disclaimer of Consequential Damages. In no event will either party be liable for, and each party hereby expressly waives and releases any and all claims against the other party from any consequential, indirect, special, incidental, collateral, exemplary or punitive damages, including, without limitation, damages due to business interruption, lost revenues (except for any amounts due under this Sublease), lost profits, loss of prospective economic advantage, or goodwill, arising from or related to this Sublease, regardless of the type of claim of theory of liability, whether in contract, tort, strict liability or other legal or equitable. Theory, and regardless of the cause of such damages (including loss of data) and even if such damages were foreseeable.

The protection or limitation against liability afforded by this Section 16.5 shall apply irrespective of any failure of essential purpose of any limited remedy. To the extent not prohibited by law, any statutory remedy inconsistent with the foregoing is hereby waived.

16.6 Force Majeure. With the exception of the payment of Base Rent, unless Sublandlord is relieved of the obligation to pay Base Rent under the Lease, neither party will be deemed to be in default or breach of this Sublease, in the event and to the extent that its delay or failure to perform as required under this Sublease is prevented, delayed, or made impossible or impracticable as a result of any act of God, war, insurrection, riot, terrorist attack, civil disorder, unrest or disturbance, martial law or other governmental restrictions, including rationing, epidemics, fire, flood, earthquake or other casualty, failure of facilities or systems, any natural or man-made disaster or other cause of like nature that is beyond the reasonable control of such party, other than insolvency, lack or insufficiency of funds or unavailability of credit ("Force Majeure"). If either party to this Sublease is rendered unable, wholly or in part, to carry out its obligations hereunder due to any Force Majeure cause and without the fault or negligence on its part, the nonperforming party shall give prompt written notice to the other party of the Force Majeure with reasonably full particulars concerning same, and thereupon, the obligations of the party giving notice, so far as they are affected by the Force Majeure, shall be suspended during, but no longer than, the continuance of the Force Majeure.

16.7 Notices. . Sublandlord and United agree, upon receipt of any notice from Airport or upon delivery of any notice to Airport, promptly to transmit a copy of such notice to the other party. All notices and other communications given under this Sublease shall be made in writing and shall be sent by United States certified mail, return receipt requested, or by a nationally recognized overnight courier services, addressed as follows:

To Sublandlord:

Attn: John Sicilian
Chairman, President and
Chief Liquidating Agent
Eastern Air Lines, Inc.
1221 Brickell Avenue
Suite 1780
Miami, FL 33131-3259

Tel: 305-536-2246 ext. 235
Fax: 305-536-2243

For administrative purposes:
R. Craig Cooper
422 Rodes Valley Drive
Nellysford, VA 22958

Tel: 434-361-5248

To United:

United Air Lines, Inc.
1200 East Algonquin Road
Elk Grove Township, Illinois 60007

Attention: WHQOU

Tel: 847-700-6006
Fax: 847-7004841

All notices shall be effective upon receipt, or upon attempted delivery where delivery is refused or mail is unclaimed.

16.8 Brokers. Sublandlord and United, and each one of them warrants and represents to the other that it has dealt with no broker in connection with the execution and delivery of this Agreement, or any of the transactions set forth herein. Sublandlord and United hereby agree to hold and indemnify each other from and against any and all claims for brokerage commissions or similar charges, whether or not denominated or characterized as brokerage commissions, and from and against any other fees, charges, costs, damages, losses and expenses related thereto (including reasonable attorney's fees and disbursements) that either party incurs or suffers as a result of any claims that is based on, or that alleges the engagement or retention or retention of a broker by the other party.

IN WITNESS WHEREOF, Sublandlord and United have caused this Sublease to be executed by their respective duly authorized representatives as of the date first above written.

SUBLANDLORD:

Eastern Air Lines, Inc.

By: John J. Sicilian
Name: John J. Sicilian
Title: Chairman & President

UNITED:

UNITED AIR LINES, INC.

By:
Name: Amos S. Kazzaz
Title: 7/13/01

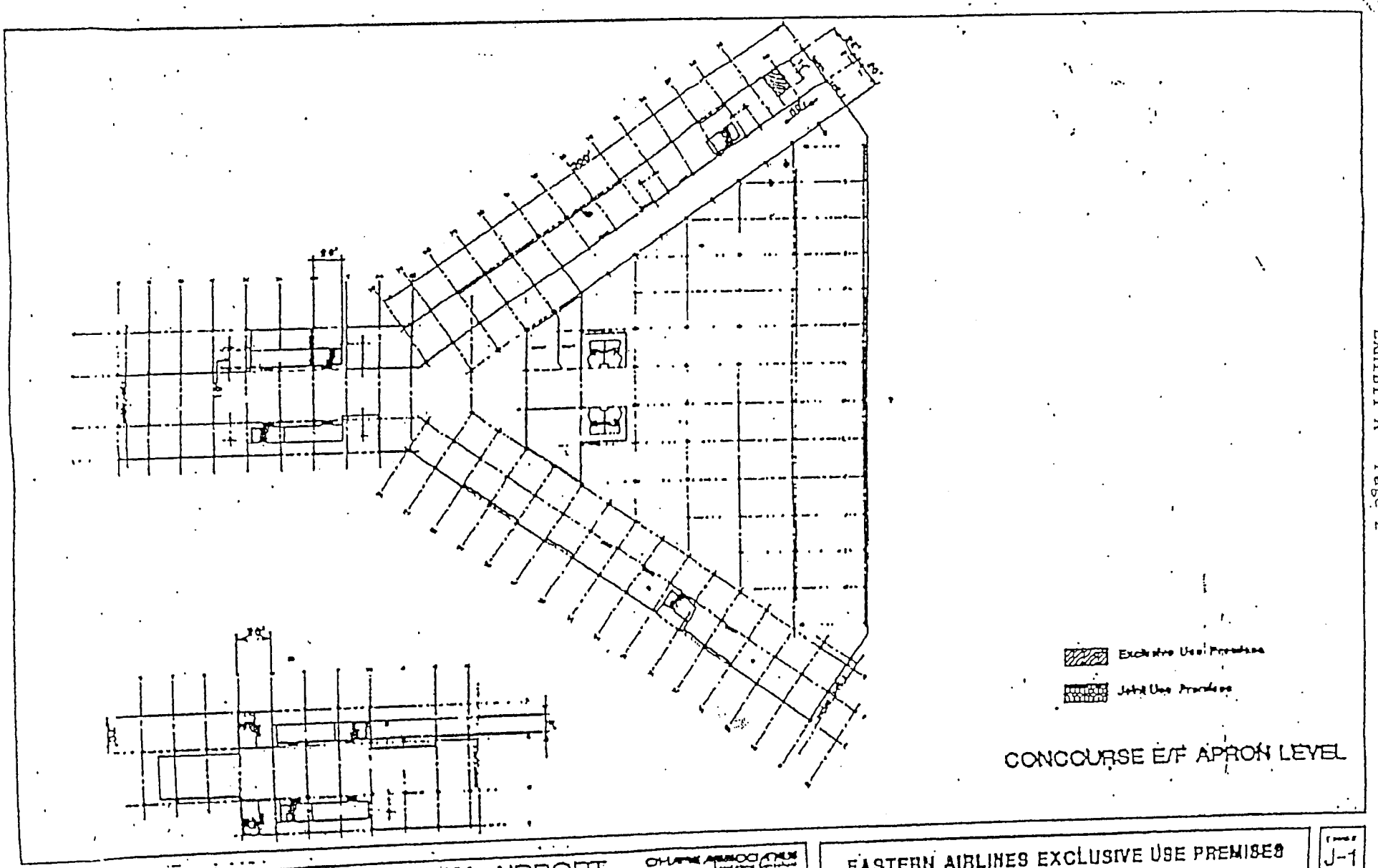
s:\stevens\lease.SubleasetoUniteddoc

EXHIBIT A

EASTERN AIRLINES
PHASE II PREMISES
Revised 3/91

	Total Exclusive Use
TERMINAL 2	
Mezzanine/Penthouse	0
Upper Level	0
Lower Level	0
Basement	0
SUBTOTAL TERMINAL ~~3~~ 2	0
CONCOURSE F	
Upper Level	3,065
Apron Level	140
SUBTOTAL CONCOURSE ~~G~~ F	3,205
GRAND TOTAL	3,205
EXISTING FOOTAGE	3,205
ADDITIONAL FOOTAGE	0

[illegible]

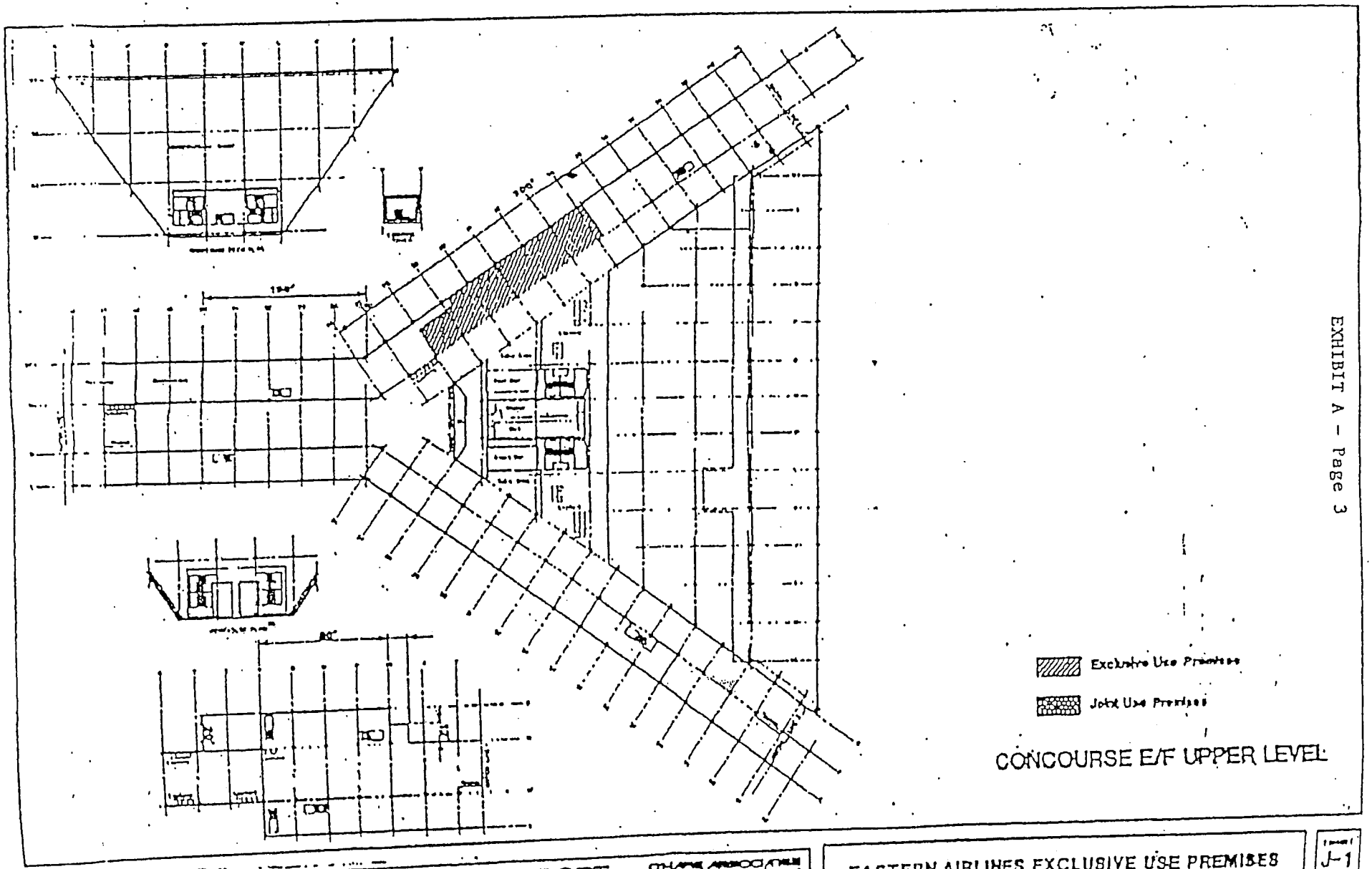


CHICAGO O'HARE INTERNATIONAL AIRPORT

EASTERN AIRLINES EXCLUSIVE USE PREMISES

J-1

EXHIBIT A - Page 2



CHICAGO O'HARE INTERNATIONAL AIRPORT

EASTERN AIRLINES EXCLUSIVE USE PREMISES

J-1

3/81

EXHIBIT B

EASTERN

Eastern Air Lines, Inc.
9300 N.W. 36th Street
Miami, Florida 33178

PRIVILEGED & CONFIDENTIAL
ATTORNEY WORK- PRODUCT

February 22, 1999

Via Telecopier (847) 733-0339

Mr. Brian D. Brookover
Grace Brothers Ltd.
1560 Sherman Avenue
Suite 900
Evanston, Illinois 60201

Re: Eastern - Executive Committee - Chicago O'Hare I-Club Lease

Dear Brian:

Enclosed please find a proposal to Continental Airlines regarding the above-referenced matter. See Exhibit A.

As we have discussed, because of the complexities surrounding assignment of this lease, there is no guarantee that Eastern could successfully transfer the economic value of this below-market lease to Continental (or to any other party for that matter). As you may recall, when Eastern transferred its gates and slots to United pursuant to a February, 1991 agreement, the City of Chicago required United to pay escalated rental rates, not the below-market rates embodied in Eastern's long-term leasehold interest.[1]

In the current scenario, the economic value is an important element to a deal with Continental. Therefore, we will be devising a convoluted deal structure in order to insure that the arrangement does not trigger a review by the City of Chicago officials. In addition, if Eastern were to attempt to evict Continental and craft an agreement with

---

[1]/ United wanted the deal and paid Eastern $54 million because it gave United control over a larger portion of O'Hare's gates and slots even though that control did not come in conjunction with lower rental rates.

another entity, Continental would simply inform the City of Chicago which in turn would effectively preclude any deal for the facility. Obviously, this reduces Eastern's leverage in crafting its arrangement with Continental or any other party.

For the above-referenced reasons, Eastern believes any deal which generates in excess of $500,000 would be a good deal.

As always, if you have any questions, do not hesitate to contact me.

Sincerely,

John J. Sicilian
Chairman, President and
Liquidating Agent

Enclosure
cc: Mr. Tim Sanders
Mr. R. Craig Cooper
Tracey J. Rickett, Esq.