



City of Chicago



O2010-6660

Office of the City Clerk

City Council Document Tracking Sheet

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| Meeting Date: | 11/17/2010 |
| Status: | Introduced |
| Sponsor(s): | Mayor |
| Type: | Ordinance |
| Title: | Amendment of a previously passed ordinance concerning issuance of a general airport revenue bond and passenger facility charge bonds for O'Hare International Airport. |
| Committee(s) Assignment: | Committee on Finance |

FIN



OFFICE OF THE MAYOR
CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

November 17, 2010

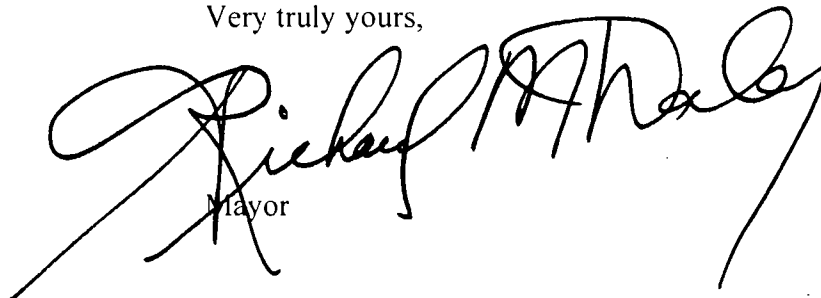
TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Chief Financial Officer and the Commissioner of Aviation, I transmit herewith an ordinance amending a previously passed ordinance concerning an issuance of general airport revenue bonds and passenger facility charge bonds for O'Hare International Airport.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,



Mayor

ORDINANCE

WHEREAS, it is necessary and appropriate to supplement the 2010 O'Hare Financing Ordinance adopted September 8, 2010; now therefore

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

Section 1. Findings and Determinations.

(a) Pursuant to the 2010 O'Hare Financing Ordinance adopted September 8, 2010, this City Council authorized the issuance of Chicago O'Hare International Airport Passenger Facility Charge Revenue Bonds (the "2010 PFC Bonds") of the City of Chicago (the "City") to be issued pursuant to the Master Trust Indenture Securing Chicago O'Hare International Airport Passenger Facility Charge Obligations dated as of January 1, 2008 (the "PFC Master Indenture") from the City to The Bank of New York Mellon Trust Company, N.A., as trustee. The 2010 PFC Bonds constitute part of the 2010 Bonds authorized to be issued pursuant to the 2010 O'Hare Financing Ordinance.

(b) This City Council finds and determines that (i) the 2010 O'Hare Financing Ordinance shall be supplemented as provided in this 2010 O'Hare Financing Supplemental Ordinance to authorize \$500,000,000 principal amount of 2010 PFC Bonds only for the purpose of financing the refunding of "Outstanding PFC Bonds" as defined in the 2010 O'Hare Financing Ordinance, to permit the issuance of all or a portion of the 2010 PFC Bonds as "Subordinated PFC Obligations" as defined in the PFC Master Indenture and to authorize the City to pledge certain Grant Receipts (as defined in Section 4 of this 2010 O'Hare Financing Supplemental Ordinance) as security for the repayment of Subordinated PFC Obligations; (ii) the issuance of Subordinated PFC Obligations and the refunding of the Outstanding PFC Bonds and any other bonds, notes or other obligations issued by the City to finance or refinance any Project (as hereinafter defined) will result in debt service savings or provide other benefits to Chicago O'Hare International Airport (the "Airport"); (iii) the Projects to be financed by the City with the proceeds of the Subordinated PFC Obligations are necessary and essential to the efficient operation of the Airport; (iv) the City's ability to issue 2010 Bonds from time to time without further action by this City Council at various times, in various principal amounts and with various interest rates and interest rate mechanisms, maturities, redemption provisions and other terms will enhance the City's opportunities to obtain financing for the Airport upon the most favorable terms available; and (v) the delegations of authority that are contained in this 2010 O'Hare Financing Supplemental Ordinance, including the authority to make the specific determinations described in clause (iv) above, are necessary and desirable because this City Council cannot itself as advantageously, expeditiously or conveniently exercise such authority and make such specific determinations. Thus, authority is granted to the Mayor, the Chief Financial Officer appointed by the Mayor or the City Comptroller (the "Authorized Officer" as referred to herein being either the Chief Financial Officer or the City Comptroller) to determine to sell Subordinated PFC Obligations in one or more series, at one or more times, as and to the extent such officers determine that such sale or sales is desirable and in the best financial interest of the City and the Airport.

Section 2. **Forms of Documents.** There have been presented to this City Council forms of the following documents:

(a) Master Trust Indenture Securing Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Obligations (attached hereto as *Exhibit A*); and

(b) First Supplemental Indenture Securing Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Revenue Bonds, Series 2010A (attached hereto as *Exhibit B*).

Section 3. **Title.** This Ordinance may hereafter be cited as the "2010 O'Hare Financing Supplemental Ordinance."

Section 4. **Definitions.** As used in the 2010 O'Hare Financing Supplemental Ordinance:

"Authorized Officer" is defined in Section 1.2(h) of Part A of the 2010 O'Hare Financing Ordinance.

"Bank" means a bank that has issued a Letter of Credit pursuant to a Reimbursement Agreement in order to secure one or more series of Subordinated 2010 PFC Bonds.

"Bank Notes" means Subordinated PFC Obligations evidencing the obligations of the City to a Bank under a Reimbursement Agreement.

"Bond Subsidy Payment" means any amount of money received or expected to be received by the City from the United States of America as a result of the City's election to issue one or more of the Subordinated 2010 PFC Bonds or designate one or more of the Subordinated 2010 PFC Bonds as "build America bonds" under Section 54AA of the Code and as "qualified bonds" under subsection (g) of Section 54AA of the Code.

"Build America Bond" means any Subordinated 2010 PFC Bond with respect to which the City irrevocably elects to have Section 54AA of the Code apply.

"Code" means the Internal Revenue Code of 1986.

"First Supplemental Indenture" means the First Supplemental Indenture Securing Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Revenue Bonds, Series 2010A, from the City to the Subordinated PFC Master Trustee relating to the initial series of Subordinated 2010 PFC Bonds bearing interest at fixed rates.

"General Airport Revenue Bond Ordinance" means the ordinance adopted by the City Council of the City on March 31, 1983, entitled "An Ordinance Authorizing The Issuance By The City Of Chicago Of Its Chicago O'Hare International Airport General Airport Revenue Bonds, And Providing For The Payment Of And Security For Said Bonds," as amended and supplemented from time to time in accordance with the terms thereof.

"Grant Receipts" means moneys expected to be received by the City from the United States of America and agencies thereof, including the Federal Aviation Administration, in aid of financing Projects, including grants made as reimbursement for the costs of Projects.

"*Letter of Credit*" means a Letter of Credit securing the payment of the principal or purchase price of and interest on one or more series of Subordinated 2010 PFC Bonds.

"*PFC First Lien Supplemental Indenture*" means a "*Supplemental Indenture*" as defined in Section 1.2 of Part C of the 2010 O'Hare Financing Ordinance.

"*PFC Master Indenture*" means the Master Indenture of Trust Securing Chicago O'Hare International Airport Passenger Facility Charge Obligations, from the City to the PFC Master Trustee dated as of January 1, 2008, as the same may be amended and supplemented.

"*PFC Master Trustee*" means The Bank of New York Mellon Trust Company, N.A. (as successor to BNY Midwest Trust Company), and its successor in trust, as trustee under the PFC Master Indenture.

"*Project*" or "*Projects*" means any capital improvement or purpose constituting an "*eligible project*" under applicable regulations of the Federal Aviation Administration with respect to the use of passenger facility charges.

"*Qualified Build America Bond*" means any Build America Bond with respect to which the City irrevocably elects to have subsection (g) of Section 54AA of the Code apply.

"*Reimbursement Agreement*" means an agreement between the City and a Bank pursuant to which a Letter of Credit or liquidity facility is issued with respect to one or more series of Subordinated 2010 PFC Bonds.

"*Remarketing Agreement*" means an agreement between the City and a Remarketing Agent pursuant to which the Remarketing Agent, under certain circumstances, will remarket Subordinated 2010 PFC Bonds.

"*Subordinated PFC Master Indenture*" means the Master Indenture of Trust Securing Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Obligations from the City to the Subordinated PFC Master Trustee.

"*Subordinated PFC Master Trustee*" means the bank, trust company or national banking association selected by an Authorized Officer as Trustee under the Subordinated PFC Master Indenture.

"*Subordinated 2010 PFC Bonds*" means the Subordinated PFC Obligations authorized by Section 5 of this 2010 O'Hare Financing Supplemental Ordinance.

"*Supplemental Indenture*" means (a) with respect to the issuance of Subordinated 2010 PFC Bonds bearing interest at fixed rates, a supplemental indenture authorizing a series of Subordinated 2010 PFC Bonds, substantially in the form of the First Supplemental Indenture and (b) with respect to the issuance of Subordinated 2010 PFC Bonds initially bearing interest at variable rates, a supplemental indenture authorizing a series of Subordinated 2010 PFC Bonds constituting a Variable Rate Supplemental Indenture.

"*2010 Bonds*" means, collectively, the 2010 PFC Bonds, the 2010 Third Lien Bonds and the Subordinated 2010 PFC Bonds.

"*2010 PFC Bonds*" means the 2010 PFC Bonds authorized by Section 2.1 of Part C of the 2010 O'Hare Financing Ordinance.

"2010 PFC Refunding Bonds" means the Chicago O'Hare International Airport Passenger Facility Charge Revenue Refunding Bonds authorized by Section 3 of this 2010 O'Hare Financing Supplemental Ordinance.

"2010 Third Lien Bonds" means the 2010 Third Lien Bonds authorized by Section 2.1 of Part B of the 2010 O'Hare Financing Ordinance.

"Variable Rate Supplemental Indenture" means a supplemental indenture authorizing a series of Subordinated 2010 PFC Bonds, substantially in the form of the Fortieth Supplemental Indenture (attached to the 2010 O'Hare Financing Ordinance as *Exhibit C*) adjusted to reflect that the Subordinated 2010 PFC Bonds issued pursuant thereto are Subordinated PFC Obligations issued pursuant to the Subordinated PFC Master Indenture and secured by and payable from a pledge of Subordinated PFC Revenues as provided in Section 7 of this 2010 O'Hare Financing Supplemental Ordinance and Grant Receipts as provided in Section 8 of this 2010 O'Hare Financing Supplemental Ordinance.

Section 5. Authorization of Subordinated 2010 PFC Bonds and Increased Authorization of 2010 PFC Bonds for Refunding Purposes.

(a) All, or a portion of, the 2010 PFC Bonds may be issued as Subordinated 2010 PFC Bonds pursuant to the Subordinated PFC Master Indenture and one or more Supplemental Indentures for the purposes specified in Section 6 of this 2010 O'Hare Financing Supplemental Ordinance. 2010 PFC Refunding Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$500,000,000 plus an amount equal to the amount of any original issue discount used in marketing the 2010 PFC Refunding Bonds (not to exceed 10% of the principal amount thereof) pursuant to the PFC Master Indenture and one or more PFC First Lien Supplemental Indentures only for the purpose of financing the refunding of "Outstanding PFC Bonds" as defined in the 2010 O'Hare Financing Ordinance.

(b) The Subordinated 2010 PFC Bonds may be issued bearing interest at a fixed interest rate or rates or at a variable interest rate or rates as more fully set forth in the related Supplemental Indenture, including but not limited to variable interest rates that are reset periodically by the Remarketing Agent and variable interest rates commonly referred to as "flexible," "adjustable" or "commercial paper" rates, in which specified bonds of a series bear interest at rates that differ from the rates borne by other bonds of the series and have different accrual and mandatory tender and purchase provisions (herein called "Variable Rates"), and may be secured as to principal, purchase price and interest by one or more Letters of Credit or Reimbursement Agreements. The Subordinated 2010 PFC Bonds may be issued under bond structures commonly referred to as "medium term" and "put option," with provisions pursuant to which the Owners of such Subordinated 2010 PFC Bonds have the option to tender such Subordinated 2010 PFC Bonds for payment prior to their stated maturity dates or mandatory redemption dates and the City may permit such a "put option" with or without having available a Letter of Credit or liquidity facility sufficient to fund the purchase price of any Subordinated 2010 PFC Bonds tendered for purchase pursuant to such "put option," if an Authorized Officer determines that the terms and provisions of the "put option" will provide the City with sufficient time to fund or otherwise provide for the payment of such purchase price. Any Subordinated 2010 PFC Bonds that initially bear interest at a variable rate may thereafter bear such other interest rate or rates as may be established in accordance with the provisions of the related Supplemental Indenture. Any Subordinated 2010 PFC Bonds that bear interest at a fixed rate may be issued as current interest bonds, as capital appreciation bonds or as capital appreciation bonds that convert to current interest bonds at a future date after their issuance.

(c) The Subordinated 2010 PFC Bonds shall mature not later than January 1, 2050, and shall bear interest from their date, or from the most recent date to which interest has been paid or duly provided for, until the City's obligation with respect to the payment of the principal amount thereof shall be discharged, payable as provided in the related Supplemental Indenture at a rate or rates not in excess of the lesser of 15% per annum or, so long as such Subordinated 2010 PFC Bonds are secured by a Letter of Credit, the maximum interest rate on the Subordinated 2010 PFC Bonds used for calculating the stated amount of the Letter of Credit.

(d) Each series of Subordinated 2010 PFC Bonds may be subject to mandatory and optional redemption (including mandatory redemption pursuant to the application of Sinking Fund Payments) prior to maturity, upon the terms and conditions set forth in the Subordinated PFC Master Indenture and the related Supplemental Indenture. The redemption price may be based upon a formula designed to compensate the Owner of the Subordinated 2010 PFC Bonds to be redeemed based upon prevailing market conditions on the date fixed for redemption, commonly known as a "make-whole" redemption price (the "*Make-Whole Redemption Price*"). At the time of sale of the Subordinated 2010 PFC Bonds, an Authorized Officer shall determine the provisions of the formula to be used to establish any Make-Whole Redemption Price, which may vary depending on whether the Subordinated 2010 PFC Bonds are issued on a taxable or tax-exempt basis or, in the case of the redemption of "Build America Bonds" on whether the Subordinated 2010 PFC Bonds are being redeemed as a result of an occurrence of an "*Extraordinary Event*" as determined by an Authorized Officer, including, but not limited to, any determination by the City that a change has occurred to Section 54AA, 54A, 54D, 1400U-2, or 6431 of the Code or any other applicable section of the Code or there is any guidance published by the Internal Revenue Service, the Treasury or other applicable Federal department or agency with respect to such sections or any other determination by the Internal Revenue Service, the Treasury or other applicable Federal department or agency, pursuant to which federal subsidies with respect to the Build America Bonds are reduced, eliminated or adversely adjusted. An Authorized Officer shall confirm and transmit the applicable Make-Whole Redemption Price on such dates and to such parties as shall be necessary to effectuate such redemption.

(e) The Subordinated 2010 PFC Bonds shall be entitled "Chicago O'Hare International Airport Subordinate Lien Passenger Facility Charge Revenue Bonds" or "Chicago O'Hare International Airport Subordinate Lien Passenger Facility Charge Revenue Refunding Bonds", may bear an additional designation as to Grant Receipts and may be issued in one or more separate series, appropriately designated to indicate the order of their issuance. Each Subordinated 2010 PFC Bond shall be issued in fully registered form and in the denominations set forth in the related Supplemental Indenture; and shall be dated and numbered and further designated and identified as provided in the Subordinated PFC Master Indenture and the related Supplemental Indenture.

(f) Principal of and premium, if any, on the Subordinated 2010 PFC Bonds shall be payable at the principal corporate trust office of the Subordinated PFC Master Trustee or any Paying Agent as provided in the Subordinated PFC Master Indenture and related Supplemental Indenture. Payment of interest on the Subordinated 2010 PFC Bonds shall be made to the registered owner thereof and shall be paid by check or draft of the Subordinated PFC Master Trustee mailed to the registered owner at his or her address as it appears on the registration books of the City kept by the Subordinated PFC Master Trustee or at such other address as is furnished to the Subordinated PFC Master Trustee in writing by such registered owner, or by wire transfer as further provided in the Subordinated PFC Master Indenture and related Supplemental Indenture.

(g) Subject to the limitations set forth in this Section, authority is hereby delegated to either the Mayor or the Authorized Officer to determine the aggregate principal amount of Subordinated 2010 PFC Bonds to be issued, the date thereof, the maturities thereof, any provisions for optional redemption thereof, the schedule of Sinking Fund Payments, if any, to be applied to the mandatory redemption thereof (which mandatory redemption shall be at a Redemption Price equal to the principal amount of each Subordinated 2010 PFC Bond to be redeemed, without premium, plus accrued interest), the rate or rates of interest payable thereon or method for determining such rate or rates and the first interest payment date thereof. Any optional redemption shall be at Redemption Prices that may include a redemption premium for each Subordinated 2010 PFC Bond to be redeemed expressed as a percentage, not exceeding three percent (3%), of the principal amount (or in the case of capital appreciation bonds, the accreted value as of the redemption date) of the Subordinated 2010 PFC Bond to be redeemed, or as a formula designed to compensate the owner of the Subordinated 2010 PFC Bond to be redeemed based upon prevailing market conditions on the date fixed for such redemption, commonly known as a "make whole" redemption premium.

(h) Each series of the 2010 PFC Refunding Bonds shall be issued as a series of 2010 PFC Bonds subject to all of the provisions of the 2010 O'Hare Financing Ordinance except for the bond authorization limitation set forth in Section 2.1(a) of Part C of the 2010 O'Hare Financing Ordinance. Authority is hereby delegated to either the Mayor or the Authorized Officer to determine all of the terms and provisions of the 2010 PFC Refunding Bonds in accordance with the authority granted by the 2010 O'Hare Financing Ordinance with respect to the 2010 PFC Bonds.

Section 6. Purposes. Pursuant to the Subordinated PFC Master Indenture, the Subordinated 2010 PFC Bonds are to be issued for the following purposes, as determined by the Authorized Officer at the time of the sale of the Subordinated 2010 PFC Bonds:

- (a) the payment, or the reimbursement for the payment, of all or a portion of the Costs of any Projects, including capitalized interest;
- (b) the refunding of any Outstanding PFC Bonds and any commercial paper notes issued by the City to finance or refinance any Project;
- (c) the funding of deposits into funds and accounts as may be provided for in the Subordinated PFC Master Indenture and the Supplemental Indenture relating to such series; and
- (d) the payment of the costs of issuance of the Subordinated 2010 PFC Bonds.

The proceeds of each series of Subordinated 2010 PFC Bonds shall be applied for the purposes set forth above in the manner and in the amounts specified in a Certificate of an Authorized Officer (as defined in the Subordinated PFC Master Indenture) delivered in connection with the issuance of such series pursuant to the Subordinated PFC Master Indenture and the related Supplemental Indenture.

Section 7. Subordinated Pledge of PFC Revenues. The Subordinated 2010 PFC Bonds, together with interest thereon, shall be limited obligations of the City constituting Subordinated PFC Obligations under the PFC Master Indenture secured by a junior and subordinate pledge of the PFC Revenues as permitted by Section 405 of the PFC Master Trust Indenture and pledged under the Subordinated PFC Master Indenture and the related

Supplemental Indenture, and shall be valid claims of the registered owners thereof only against the funds and assets and other money held by the Subordinated PFC Master Trustee with respect thereto and against such PFC Revenues. The Subordinated 2010 PFC Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness or a loan of credit of the City, or a charge against its general credit or taxing powers, within the meaning of any constitutional or statutory limitation of the State of Illinois.

Section 8. Pledge of Grant Receipts. To the extent provided in the Subordinated PFC Master Indenture or in any Supplemental Indenture, one or more series of the Subordinated 2010 PFC Bonds may be payable from and additionally secured by a pledge of and lien on all or a specified portion of the Grant Receipts.

Section 9. Approval of Master Indenture and Supplemental Indentures.

(a) The form of Subordinated PFC Master Indenture presented to this meeting is hereby approved in all respects. The Mayor or the Authorized Officer is hereby authorized to execute and deliver the Subordinated PFC Master Indenture in substantially the form of the Subordinated PFC Master Indenture for and on behalf of the City, and the City Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the City or a facsimile thereof.

(b) The form of First Supplemental Indenture presented to this meeting is hereby approved in all respects. The Mayor or the Authorized Officer is hereby authorized with respect to each series of Subordinated 2010 PFC Bonds, to execute and deliver a Supplemental Indenture in substantially the form of the First Supplemental Indenture for and on behalf of the City and the City Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the City or a facsimile thereof.

(c) The form of Variable Rate Supplemental Indenture approved by the 2010 O'Hare Financing Ordinance, as modified in this Ordinance, is hereby approved in all respects. The Mayor or the Authorized Officer is hereby authorized with respect to each series of Subordinated 2010 PFC Bonds bearing interest initially at a Variable Rate, to execute and deliver a Supplemental Indenture in substantially the form of the Variable Rate Supplemental Indenture for and on behalf of the City and the City Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the City or a facsimile thereof.

(d) Each such Supplemental Indenture shall be substantially in the form of the First Supplemental Indenture presented to this meeting or the Variable Rate Supplemental Indenture, as appropriate, and may contain such changes or revisions as shall be approved by the Mayor or the Authorized Officer, such changes or revisions may include, without limit, such changes as may be necessary or desirable, as determined by the Mayor or the Authorized Officer, to incorporate provisions into a Supplemental Indenture relating to Variable Rates generally in use in the municipal securities market.

(e) If determined by the Authorized Officer to be in the best financial interest of the City in the operation of the Airport, modifications may be made to the form of Variable Rate Supplemental Indenture providing (a) for Subordinated 2010 PFC Bonds bearing interest at a Variable Rate to be secured by a Letter of Credit, and (b) for an interest rate mode in which the Subordinated 2010 PFC Bonds bear interest at a rate that reflects inflation and deflation as of a specified date prior to each interest payment date.

(f) Authority is hereby delegated to the Authorized Officer to complete and to revise the form of the Subordinated PFC Master Indenture in such manner as the Authorized Officer shall determine to be in the best financial interest of the City in the operation of the Airport, including completions and revisions of the terms of the Subordinated PFC Master Indenture relating to the conditions precedent to the issuance of "Grant Receipts – PFC Obligations" and "Priority Obligations," each as defined in the Subordinated PFC Master Indenture.

(g) The execution and delivery of the Subordinated PFC Master Indenture or a Supplemental Indenture shall constitute evidence of this City Council's approval of the form of the Subordinated PFC Master Indenture or such Supplemental Indenture as executed and delivered.

Section 10. Qualified Reserve Account Credit Instruments. The Authorized Officer is hereby authorized to arrange for the provision of one or more Qualified Reserve Account Credit Instruments, as defined in the Subordinated PFC Master Indenture as security for all or a portion of the Subordinated 2010 PFC Bonds if the Authorized Officer determines that it would be in the best financial interest of the City in the operation of the Airport.

Section 11. Sale of Subordinated 2010 PFC Bonds.

(a) Subject to the limitations contained in the 2010 O'Hare Financing Ordinance as supplemented by this 2010 O'Hare Financing Supplemental Ordinance, authority is hereby delegated to the Mayor or the Authorized Officer to sell the Subordinated 2010 PFC Bonds in one or more series from time to time to one or more underwriters selected by the Authorized Officer pursuant to one or more Contracts of Purchase with respect to the Subordinated 2010 PFC Bonds between the City and such underwriters; provided that the aggregate purchase price of each series of the Subordinated 2010 PFC Bonds shall not be less than 98% of the principal amount thereof to be issued (less any original issue discount which may be used in the marketing thereof) plus accrued interest thereon from their date to the date of delivery thereof and payment thereof. In addition, one or more of the Subordinated 2010 PFC Bonds may be issued as (i) Build America Bonds, (ii) Qualified Build America Bonds, (iii) QECB's (as defined in the 2010 O'Hare Financing Ordinance) or (iv) bonds the interest on which will be includable in the gross income of the owners thereof for federal income tax purposes under the Code, in each case if determined by the Authorized Officer to be beneficial to the City in the operation of the Airport.

(b) The Mayor or the Authorized Officer, with the concurrence of the Chairman of the Committee on Finance of the City Council, is hereby authorized and directed to execute and deliver one or more Contracts of Purchase relating to the Subordinated 2010 PFC Bonds in substantially the form of the Contracts of Purchase used in connection with the previous sales of airport revenue bonds by the City, together with such changes thereto and modifications thereof as shall be approved by the Mayor or the Authorized Officer, as the case may be, subject to the limitations contained in the 2010 O'Hare Financing Ordinance, as supplemented by this 2010 O'Hare Financing Supplemental Ordinance, the execution and delivery thereof to constitute conclusive evidence of this City Council's approval of such changes and modifications.

(c) To evidence the exercise of the authority delegated to the Mayor or the Authorized Officer by this 2010 O'Hare Financing Supplemental Ordinance, the Mayor or the Authorized Officer, as the case may be, is hereby directed to execute and file with the City Clerk in connection with the sale of Subordinated 2010 PFC Bonds a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by them of such authority. Contemporaneously with

the filing of such certificate, the Mayor or the Authorized Officer shall also file with the City Clerk one copy of each Official Statement and executed Contract of Purchase in connection with the Subordinated 2010 PFC Bonds. Each filing shall be made as soon as practicable subsequent to the execution of the Contract of Purchase. The City Clerk shall direct copies of such filings to the City Council.

(d) The Authorized Officer is hereby authorized to cause to be prepared the form or forms of Preliminary Official Statement describing the Subordinated 2010 PFC Bonds. Each Preliminary Official Statement (or applicable parts thereof) shall be in substantially the form of the Official Statements used in connection with previous sales of airport revenue bonds and passenger facility charge revenue bonds by the City, together with such changes thereto and modifications thereof as shall be approved by the Authorized Officer. The distribution of each Preliminary Official Statement to prospective purchasers and the use thereof by the underwriters in connection with the offering of the Subordinated 2010 PFC Bonds are hereby authorized and approved. The Mayor or the Authorized Officer is hereby authorized to permit the distribution of a final Official Statement, in substantially the form of each Preliminary Official Statement, with such changes, omissions, insertions and revisions thereto and completions thereof as the Mayor or the Authorized Officer shall deem advisable, and the Mayor or the Authorized Officer is authorized to execute and deliver each such final Official Statement to the underwriters in the name and on behalf of the City, the execution of such final official statement to constitute conclusive evidence of this City Council's approval of such changes and completions.

(e) If determined by the Authorized Officer to be in the best financial interest of the City in the operation of the Airport, the Authorized Officer is authorized to procure one or more municipal bond insurance policies covering all or a portion of the Subordinated 2010 PFC Bonds.

(f) The Authorized Officer is hereby authorized to execute and deliver a Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") evidencing the City's agreement to comply with the requirements of Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 in a form approved by the Corporation Counsel. Upon its execution and delivery on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City, and the officers, employees and agents of the City are hereby authorized to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. The Authorized Officer is hereby further authorized to amend the Continuing Disclosure Undertaking in accordance with its terms from time to time following its execution and delivery as said Authorized Officer shall deem necessary. Notwithstanding any other provision of this 2010 O'Hare Financing Supplemental Ordinance, the sole remedies for any failure by the City to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Subordinated 2010 PFC Bond to seek mandamus or specific performance by court order to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

(g) Authority is hereby delegated to the Mayor and the Authorized Officer (i) pursuant to Section 54AA(d)(1)(C) of the Code and on behalf of the City to make the election required to have Section 54AA of the Code apply to the Subordinated 2010 PFC Bonds to be issued as Build America Bonds; (ii) pursuant to Section 54AA(g)(2)(B) of the Code and on behalf of the City to make the election required to have subsection (g) of Section 54AA of the Code apply to the Subordinated 2010 PFC Bonds to be issued as Qualified Build America

Bonds; (iii) pursuant to Section 54D of the Code and on behalf of the City to make the election or designation required to have Section 54D of the Code apply to the Subordinated 2010 PFC Bonds to be issued as QECBs and to designate all or any portion of the Subordinated 2010 PFC Bonds as QECB Direct Payment Bonds or QECB Tax Credit Bonds (each as defined in the 2010 O'Hare Financing Ordinance); (iv) make any other designations and elections and do such other things on behalf of the City to have any applicable provisions of the Code or relevant federal legislation apply thereto; (v) to execute such documents, agreements, certifications and tax returns as shall be necessary or desirable to establish and/or maintain all or any portion of the Subordinated 2010 PFC Bonds as Build America Bonds or QECBs and/or to apply for and/or obtain any Tax Credits (as defined in this 2010 O'Hare Financing Supplemental Ordinance) that may be available to the City or the owners of the Subordinated 2010 PFC Bonds and transfer any such Tax Credits as a result of any of the Subordinated 2010 PFC Bonds qualifying as bonds entitled to Tax Credits pursuant to the Code; (vi) to make determinations with respect to the use of Bond Subsidy Payments including, but not limited to, determinations related to any pledge of Bond Subsidy Payments as security for the payment of any Subordinated 2010 PFC Bond or any Airport PFC Obligation (as defined in the PFC Master Indenture); and (vii) to provide for the extraordinary redemption of the Build America Bonds or QECBs upon the reduction, termination, suspension, delay, adverse adjustment or other event relating to Bond Subsidy Payments.

Section 12. Execution and Delivery of Subordinated 2010 PFC Bonds. Pursuant to the Subordinated PFC Master Indenture, the Mayor shall execute the Subordinated 2010 PFC Bonds on behalf of the City, by manual or facsimile signature, and the corporate seal of the City or a facsimile thereof shall be affixed, imprinted, engraved or otherwise reproduced on the Subordinated 2010 PFC Bonds and they shall be attested by the manual or facsimile signature of the City Clerk. The Subordinated 2010 PFC Bonds shall, upon such execution on behalf of the City, be delivered to the Subordinated PFC Master Trustee for authentication and thereupon shall be authenticated by the Subordinated PFC Master Trustee and shall be delivered pursuant to written order of the City authorizing and directing the delivery of the Subordinated 2010 PFC Bonds to or upon the order of the underwriters pursuant to the applicable Contract of Purchase.

Section 13. Interest Rate Swap and Cap Agreements.

(a) If determined by the Authorized Officer to be in the best financial interest of the City in the operation of the Airport, the Authorized Officer is authorized to execute and deliver from time to time in the name and on behalf of the City one or more agreements with counterparties selected by the Authorized Officer, the purpose of which is to limit, reduce or manage the City's interest rate exposure with respect to one or more series of the Subordinated 2010 PFC Bonds. The stated aggregate notional amount under all such agreements (net of offsetting transactions) at any one time shall not exceed the aggregate principal amount of such Subordinated 2010 PFC Bonds at the time outstanding. For purposes of the immediately preceding sentence "*offsetting transactions*" shall include any transaction which is intended to hedge, modify or otherwise affect any outstanding transaction or its economic results. The offsetting transaction need not be based on the same index or rate option as the related bonds or the transaction being offset. Examples of offsetting transactions include a floating-to-fixed rate interest rate swap being offset by a fixed-to-floating rate interest rate swap, and a fixed-to-floating rate interest rate swap being offset by a floating-to-fixed interest rate swap or an interest rate cap or floor or a floating-to-floating interest rate swap. In addition, if determined by the Authorized Officer to be in the best financial interest of the City in the operation of the Airport, the Authorized Officer is authorized to execute and deliver from time to time in the name and on behalf of the City one or more agreements with counterparties selected by the Authorized

Officer, commonly known as "off market" swap agreements for the purpose of providing additional funds to meet the capital costs of the Airport.

(b) Any such agreement to the extent practicable shall be in substantially the form of either the 2002 I.S.D.A. Master Agreement or the Local Currency – Single Jurisdiction version or the Multi-Currency – Cross Border version of the 1992 I.S.D.A. Master Agreement including a Schedule and/or a Credit Support Annex to such Schedule, if applicable, published by the International Swap Dealers Association, Inc. ("I.S.D.A.") or any successor form to either published by the I.S.D.A., and in appropriate confirmations of transactions governed by that agreement, with such insertions, completions and modifications thereof as shall be approved by the Authorized Officer, his or her execution to constitute conclusive evidence of this City Council's approval of such insertions, completions and modifications thereof. Should the I.S.D.A. form not be the appropriate form to accomplish the objectives of the City under this Section 13, then such other agreement as may be appropriate is hereby approved, the execution by the Mayor or the Authorized Officer being conclusive evidence of this City Council's approval of such other agreement and any and all insertions, completions and modifications thereof.

(c) Amounts payable by the City under each such agreement shall constitute limited obligations of the City payable from Subordinated PFC Revenues as provided in the Subordinated PFC Master Indenture and Grant Receipts to the extent provided in the Subordinated PFC Master Indenture or a Supplemental Indenture. Under no circumstances shall any amounts payable by the City under, or with respect to, any such agreement constitute an indebtedness of the City for which its full faith and credit is pledged. Nothing contained in this Section 13 shall limit or restrict the authority of the Mayor or the Authorized Officer to enter into similar agreements pursuant to prior or subsequent authorization of this City Council.

Section 14. Tax Directives. The City covenants to take any action required by the provisions of Section 148(f) of the Code in order to assure compliance with the tax covenants of the Subordinated PFC Master Indenture. Nothing contained in this 2010 O'Hare Financing Supplemental Ordinance shall limit the ability of the City to issue a portion of the Subordinated 2010 PFC Bonds as (i) Build America Bonds, (ii) Qualified Build America Bonds, (iii) QECBs or (iv) bonds the interest on which will be includable in the gross income of the owners thereof for Federal income tax purposes under the Code, in each case if determined by the Authorized Officer to be in the best financial interest of the City in the operation of the Airport.

Section 15. Public Approval. The actions of the Committee on Finance of the City Council of the City with respect to the publication of notice for and the holding of a public hearing in connection with the Subordinated 2010 PFC Bonds and the 2010 PFC Refunding Bonds are hereby ratified and confirmed in all respects. The adoption of this 2010 O'Hare Financing Supplemental Ordinance shall constitute the public approval of the Subordinated 2010 PFC Bonds and the 2010 PFC Refunding Bonds for purposes of Section 147(f) of the Code.

Section 16. Performance Provisions. The Mayor, the Commissioner of Aviation, the Authorized Officer and the City Clerk for and on behalf of the City shall be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the City under and pursuant to the 2010 O'Hare Financing Ordinance, this 2010 O'Hare Financing Supplemental Ordinance, the Subordinated PFC Master Indenture and any Supplemental Indenture and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by the 2010 O'Hare Financing Ordinance, this

2010 O'Hare Financing Supplemental Ordinance, the Subordinated PFC Master Indenture and any Supplemental Indenture, including but not limited to, the exercise following the delivery date of any Subordinated 2010 PFC Bonds of any power or authority delegated to such official of the City under the 2010 O'Hare Financing Ordinance and this 2010 O'Hare Financing Supplemental Ordinance with respect to the Subordinated 2010 PFC Bonds upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Mayor, the Commissioner of Aviation, the Authorized Officer, the City Clerk and other officers, agents and employees of the City are hereby further authorized, empowered and directed for and on behalf of the City, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by the 2010 O'Hare Financing Ordinance, this 2010 O'Hare Financing Supplemental Ordinance, the Subordinated PFC Master Indenture and any Supplemental Indenture or to evidence said authority.

Section 17. Proxies. The Mayor and the Authorized Officer may each designate another to act as their respective proxy and to affix their respective signatures to, in the case of the Mayor, each Subordinated 2010 PFC Bond, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or the Authorized Officer pursuant to the 2010 O'Hare Financing Ordinance, this 2010 O'Hare Financing Supplemental Ordinance, the Subordinated PFC Master Indenture and any Supplemental Indenture. In each case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be recorded in the Journal of the Proceedings of the City Council and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer is so affixed to an instrument, certificate or document at the direction of the Authorized Officer, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

Section 18. Debt Service Reserve Funds. The Authorized Officer is hereby authorized to take any or all of the following actions with respect to debt service reserve funds, provided that such action or actions shall not constitute a violation of any covenant made in any supplemental indenture: (a) apply Subordinated 2010 PFC Bond proceeds to the funding of any prior debt service reserve fund, (b) transfer moneys among debt service reserve funds, and (c) deposit other moneys of the City to any debt service reserve fund.

Section 19. Approval of Form of Remarketing Agreement. The Mayor or the Authorized Officer is hereby authorized to execute and deliver a Remarketing Agreement relating to each series of Subordinated 2010 PFC Bonds in substantially the form previously used for similar financings of the City with appropriate revisions in text as the Authorized Officer shall determine are necessary or desirable, and the City Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the City or a facsimile thereof. The execution and delivery of each such Remarketing Agreement shall constitute conclusive evidence of this City Council's approval of any and all of such changes and revisions.

Section 20. Appointment of Remarketing Agent. The Mayor or the Authorized Officer is hereby delegated the authority to appoint a Remarketing Agent with respect to each series of Subordinated 2010 PFC Bonds, in the manner provided in the Subordinated PFC Master Indenture, as applicable, and the related Supplemental Indenture.

Section 21. Dating of Bond Series. If any Subordinated 2010 PFC Bonds are issued in calendar year 2011, the year of the series designation for such Subordinated 2010 PFC Bonds shall be 2011.

Section 22. Issuance of Subordinated 2010 PFC Bonds as QECBs. The Subordinated 2010 PFC Bonds are hereby authorized to be issued, in whole or in part as determined by an Authorized Officer, as QECBs. Each series of Subordinated 2010 PFC Bonds may contain such terms and conditions as shall be determined by an Authorized Officer to be necessary or desirable in connection with the issuance of such obligations as QECBs, including without limitation: (a) such obligations may be subject to redemption, purchase in lieu of redemption, or tender for purchase either on a mandatory basis or at the option of the City, for such amounts as determined by an Authorized Officer (which amounts may be based upon a formula designed to compensate the owner of the obligations to be redeemed based upon prevailing market conditions on the date fixed for redemption, commonly known as a "make-whole" redemption amount), notwithstanding any inconsistent provisions regarding redemption or tender for purchase contained in existing authorization for such obligations; (b) such obligations may be subject to redemption prior to maturity as a result of the occurrence of any determination by an Authorized Officer that (A) a change has occurred in Section 54A, 54D or 6431 of the Code or any other section of the Code applicable to QECBs (or in the regulations promulgated under any section of the Code referred to in this clause (A)), or (B) there has been any guidance published by the Internal Revenue Service or the Treasury with respect to such sections or any other determination by the Internal Revenue Service or the Treasury, pursuant to which any Direct Payment to be received by the City from the Treasury with respect to such obligations is or shall be reduced, suspended, delayed or eliminated; (c) interest payable on such obligations may be includible in the gross income of the owner thereof for Federal income tax purposes; and (d) such obligations may be designated to reflect (i) whether such obligations are QECBs, and (ii) the type of QECBs. Each Authorized Officer is hereby authorized to (i) designate all or any portion of the Subordinated 2010 PFC Bonds as QECB Direct Payment Bonds and/or QECB Tax Credit Bonds, (ii) make any other necessary designations or elections and do such other things on behalf of the City to have all applicable provisions of the Code apply thereto, (iii) execute such documents, agreements, certifications and tax returns as shall be necessary or desirable to establish and/or maintain all or any portion of an issue of Subordinated 2010 PFC Bonds as QECBs, and/or to apply for and/or obtain any Tax Credits that may be available to the City or the owners of the Subordinated 2010 PFC Bonds and transfer any such Tax Credits to such owners to the extent the City is the direct recipient of such Tax Credits as a result of any of the Subordinated 2010 PFC Bonds qualifying as QECB Tax Credit Bonds pursuant to the Code.

Section 23. Use of Federal Subsidy Payments Relating to Subordinated 2010 PFC Bonds. Any Direct Payments received by the City from the Treasury as a result of any Subordinated 2010 PFC Bonds qualifying as QECB Direct Payment Bonds are hereby authorized to be applied to (i) the principal of and interest on such Subordinated 2010 PFC Bonds (including the compound accreted value of any Subordinated 2010 PFC Bonds that are capital appreciation bonds), (ii) the purchase price of Subordinated 2010 PFC Bonds that are subject to optional or mandatory tender for purchase by the owners thereof (to the extent not otherwise provided for), (iii) such amounts as may be payable under interest rate exchange

agreements related to such Subordinated 2010 PFC Bonds, (iv) amounts (other than periodic fees and expenses) payable to providers of credit facilities for such Subordinated 2010 PFC Bonds, (v) to the extent determined by an Authorized Officer to be necessary or desirable, periodic fees and expenses payable to parties involved in the provision of ongoing services relating to such Subordinated 2010 PFC Bonds or related interest rate exchange agreements and parties providing similar ongoing services, such as rating agencies, in connection with the Subordinated 2010 PFC Bonds, or (vi) any lawful public purpose of the City to the extent not in violation of or in conflict with the provisions of the Code, if applicable, other applicable laws or existing covenants or agreements, including those contained in the documents authorizing the issuance of the Subordinated 2010 PFC Bonds, as directed by an Authorized Officer.

Section 24. Approval of Reimbursement Agreement; Authorization of Bank Notes. The Mayor or the Authorized Officer is hereby authorized, with respect to each applicable series of Subordinated 2010 PFC Bonds, to execute and deliver a Reimbursement Agreement in substantially the form previously used for similar financings of the City with appropriate revisions in text as the Mayor or the Authorized Officer shall determine are necessary or desirable in connection with the sale of Subordinated 2010 PFC Bonds, and the City Clerk is hereby authorized to attest the same and affix thereto the corporate seal of the City or a facsimile thereof, the execution and delivery thereof to constitute conclusive evidence of this City Council's approval of any and all changes or revisions therein. The Mayor or the Authorized Officer is hereby further authorized to execute and deliver a Bank Note pursuant to each Reimbursement Agreement in substantially the form previously used for similar financings of the City with appropriate revisions to reflect the terms and provisions of the related Reimbursement Agreement, and the City Clerk is hereby authorized to attest the same and affix thereto the corporate seal of the City or a facsimile thereof, the execution and delivery thereof to constitute conclusive evidence of this City Council's approval of any and all changes or revisions therein. The interest rate payable on any Bank Note shall not exceed 18% per annum (including the recovery by the Bank of any amounts otherwise not payable to the Bank solely as a result of the interest limit set forth in the Bank Note, any interest so recovered to be determined at an interest rate not to exceed 25 percent per annum) and the maturity thereof shall not be later than five years after the latest maturity date of the related series of Subordinated 2010 PFC Bonds. The annual fee payable to any Bank under a Reimbursement Agreement shall be determined by the Authorized Officer as shall be in the best interest of the City in the operation of the Airport under then existing market conditions. The obligations of the City under each Reimbursement Agreement and under each Bank Note do not now and shall never constitute an indebtedness or a loan of credit of the City, or a charge against its general credit or taxing powers, within the meaning of any constitutional or statutory limitation of the State of Illinois. Such obligations shall be limited obligations of the City secured by a junior and subordinate pledge of the PFC Revenues and by the other specified sources (including Grant Receipts) pledged under the Subordinated PFC Master Indenture and the related Supplemental Indenture, and shall be valid claims only against the funds and assets and other money held by the Subordinated PFC Master Trustee with respect thereto and against such PFC Revenues and Grant Receipts.

Section 25. Severability. It is the intention of this City Council that, if any Section, paragraph, clause or provision of this 2010 O'Hare Financing Supplemental Ordinance shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 26. Prior Inconsistent Ordinances. If any provision of this 2010 O'Hare Financing Supplemental Ordinance is in conflict with or inconsistent with any ordinances (except

the 2010 O'Hare Financing Ordinance and the General Airport Revenue Bond Ordinance) or resolutions or parts of ordinances or resolutions or the proceedings of the City in effect as of the date hereof the provisions of this 2010 O'Hare Financing Supplemental Ordinance shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to impair the validity of this 2010 O'Hare Financing Supplemental Ordinance or the instruments authorized by this 2010 O'Hare Financing Supplemental Ordinance, or to impair the security for or payment of the instruments authorized by this 2010 O'Hare Financing Supplemental Ordinance; provided, further, however, that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

Section 27. Effective Date. This 2010 O'Hare Financing Supplemental Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor of the City.

CITY OF CHICAGO

To

_____,
as Trustee

MASTER TRUST INDENTURE

SECURING
CHICAGO O'HARE INTERNATIONAL AIRPORT
GRANT RECEIPTS AND SUBORDINATE LIEN
PASSENGER FACILITY CHARGE OBLIGATIONS

Dated as of _____, 201_

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THIS MASTER TRUST INDENTURE, dated as of _____, 201_, from the CITY OF CHICAGO (the “City”), a municipal corporation and home rule unit of local government duly organized and existing under the laws of the State of Illinois, to _____, as Trustee (the “Trustee”), a _____ duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Illinois;

W I T N E S S E T H:

WHEREAS, the City is a home rule unit of local government, duly organized and existing under the laws of the State of Illinois, and in accordance with the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois is authorized to own and operate commercial and general aviation facilities; and

WHEREAS, the City currently owns and operates an airport known as Chicago O’Hare International Airport (“O’Hare”); and

WHEREAS, the City has heretofore determined to improve and expand the Airports (as defined herein) and has heretofore issued and may hereafter issue its First Lien PFC Bonds (as hereinafter defined) pursuant to the First Lien Indenture (as hereinafter defined) to pay certain costs related to the Airports; and

WHEREAS, in connection with the improvement of the Airports, the City anticipates the receipt of Grant Receipts (as hereinafter defined) from the United States of America, including the Federal Aviation Administration pursuant to Grant Letters of Intent or Grant Agreements (as hereinafter defined); and

WHEREAS, pursuant to Section 405 of the First Lien Indenture, the City is authorized to issue, from time to time, its Subordinated PFC Bonds (as hereinafter defined) as Subordinated PFC Obligations (as herein defined) to pay certain costs related to the Airports, including the funding of necessary reserves; and

WHEREAS, pursuant to the provisions of this Indenture the City desires to authorize the issuance from time to time of Subordinated PFC Bonds additionally secured by a pledge of Grant Receipts (the “*Grant Receipts – PFC Obligations*”), each series of such Grant Receipts – PFC Obligations to be created by a Supplemental Indenture (as hereinafter defined); and

WHEREAS, the execution and delivery of this Indenture has been, and prior to the issuance of each series of Grant Receipts – PFC Obligations the execution and delivery of the related Supplemental Indenture and the issuance of such series will be, duly and validly authorized by an ordinance duly adopted by the City Council of the City; and

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

That the City, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Grant Receipts – PFC Obligations by the purchasers thereof, one dollar duly paid to the City by the Trustee at or before the execution and delivery of these presents and of other good and valuable considerations, the receipt of which is hereby acknowledged, and to secure the payment of the principal of and interest on all Grant Receipts – PFC Obligations Outstanding from time to time, according to their tenor and effect, and to secure the observance and performance by the City of all the covenants expressed or implied in this Indenture and in the Grant Receipts – PFC Obligations, does hereby pledge and assign unto the Trustee, and unto its successors and assigns forever:

GRANTING CLAUSE FIRST

All right, title and interest of the City in and to the Subordinate Lien PFC Revenues (as hereinafter defined); subject to the retained right of the City to issue Priority Obligations (as herein defined) that are secured by a pledge of and lien on the Subordinate Lien PFC Revenues and the moneys in the PFC Capital Fund that is superior to the pledge and lien created by this Indenture.

GRANTING CLAUSE SECOND

All right, title and interest of the City in and to the Grant Receipts.

GRANTING CLAUSE THIRD

All moneys and securities from time to time held by the Trustee in the Grant Receipts – Subordinated PFC Bond Fund maintained under this Indenture.

GRANTING CLAUSE FOURTH

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

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Grant Receipts – PFC Obligations, from time to time secured by this Indenture without

privilege, priority or distinction as to the lien or otherwise of any of the Grant Receipts – PFC Obligations over any of the other Grant Receipts – PFC Obligations;

PROVIDED, HOWEVER, that if the City, its successors or assigns, shall well and truly pay or cause to be paid the principal of all of the Grant Receipts – PFC Obligations and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Grant Receipts – PFC Obligations according to the intent and meaning thereof, or shall provide, as permitted by Section 601, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof to the extent provided herein, then and be void; otherwise this Indenture to be and remain in full force and effect.

THIS MASTER TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Grant Receipts – PFC Obligations issued hereunder or incurred pursuant to Section 208 or Section 209 hereof and secured hereby are to be issued and secured and the Subordinate Lien PFC Revenues and Grant Receipts and other moneys hereby pledged and assigned are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners from time to time of the Grant Receipts – PFC Obligations, as follows:

ARTICLE I

Definitions and Interpretation

Section 101. Definitions. The following terms, for all purposes of this Indenture, and of any indenture amendatory hereof or supplemental hereto, and of any certificate, opinion or other document herein mentioned, shall have the meanings herein specified unless the context clearly indicates otherwise:

“Accounts” means the special accounts created and established pursuant to Article III.

“Administrative Expenses” means all fees and charges relating to the administration of this Indenture and the Supplemental Indentures, including without limitation, fees, premiums, charges, interest amounts and expenses of the Trustee, any remarketing agent, any tender agent, any paying agent, any Credit Provider, any Rating Agency, accountants and auditors and counsel, but only to the extent the same constitute *“Costs of the Projects.”*

“Aggregate First Lien Debt Service” means, as of any particular date of computation and with respect to a particular Bond Year, an amount of money equal to the aggregate of the amounts of Annual First Lien Debt Service with respect to such Bond Year and to the First Lien PFC Obligations of all series.

“Aggregate Priority Obligation Debt Service” means, as of any particular date of computation and with respect to a particular Bond Year, an amount of money equal to the aggregate of the amounts of Annual Priority Obligation Debt Service with respect to such Bond Year and to the Priority Obligations of all series.

“Aggregate Subordinate Lien Debt Service” means, as of any particular date of computation and with respect to a particular Bond Year, an amount of money equal to the aggregate of the amounts of Annual Subordinate Lien Debt Service with respect to such Bond Year and to Grant Receipts – PFC Obligations of all series.

“Airport PFC Obligations” means any bonds, notes or other evidences of indebtedness of the City, (other than general airport revenue bonds) which bonds, notes or other evidences of indebtedness are secured by a pledge of PFC Revenues, including a subordinate pledge of PFC Revenues.

“Airports” means O’Hare, Chicago Midway International Airport and Gary/Chicago International Airport, as they may from time to time be developed, improved, expanded or modified.

“Annual First Lien Debt Service” means, as of any particular date of computation and with respect to a particular Bond Year and to First Lien PFC Obligations of a particular series or a particular reimbursement obligation under Section 208 of the First Lien PFC Indenture, an amount of money equal to the sum of (a) all interest payable during such Bond Year on all First Lien PFC Obligations of said series or reimbursement obligation Outstanding on said date of computation and (b) all Principal Installments payable during such Bond Year with respect to all First Lien PFC Obligations of said series or reimbursement obligation Outstanding on said date of computation, all calculated on the assumption that First Lien PFC Obligations will after said date of computation cease to be Outstanding by reason, but only by reason, of the payment when due and application in accordance with the First Lien PFC Indenture and the Supplemental First Lien Indenture creating such series of First Lien PFC Obligations of Principal Installments payable at or after said date of computation.

“Annual Priority Obligation Debt Service” means, as of any particular date of computation and with respect to a particular Bond Year and to Priority Obligations of a particular series or any reimbursement obligation under the Priority Obligation Indenture, an amount of money equal to the sum of (a) all interest payable during such Bond Year on all Priority Obligations of said series and reimbursement obligation Outstanding on said date of computation and (b) all Principal Installments payable during such Bond Year with respect to all Priority Obligations of said series and reimbursement obligation

Outstanding on said date of computation, all calculated on the assumption that Priority Obligations will after said date of computation cease to be Outstanding by reason, but only by reason, of the payment when due and application in accordance with the Priority Obligation Indenture and the Supplemental Priority Lien Indenture creating such series of Priority Obligations of Principal Installments payable at or after said date of computation.

“Annual Subordinate Lien Debt Service” means, as of any particular date of computation and with respect to a particular Bond Year and to Grant Receipts – PFC Obligations of a particular Series or consisting of a particular Section 208 Obligation, an amount of money equal to the sum of (a) all interest payable during such Bond Year on all Grant Receipts – PFC Obligations of said Series or Section 208 Obligation Outstanding on said date of computation and (b) all Principal Installments payable during such Bond Year with respect to all Grant Receipts – PFC Obligations of said Series or Section 208 Obligation Outstanding on said date of computation, all calculated on the assumption that Grant Receipts – PFC Obligations or Section 208 Obligations will after said date of computation cease to be Outstanding by reason, but only by reason, of the payment when due and application in accordance with this Indenture and the Supplemental Indenture creating such Series or instrument creating such Section 208 Obligation of Principal Installments payable at or after said date of computation.

“Authorized Officer” means (a) the Mayor, the Chief Financial Officer, the Commissioner, the City Comptroller or any other official of the City so designated by a Certificate signed by the Mayor or Chief Financial Officer and filed with the Trustee for so long as such designation shall be in effect and (b) the City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office.

“Available Revenues” means with respect to any computation period, the sum of the Grant Receipts for that period and the Net PFC Revenues for that period.

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

“Bond Insurance Policy” means a municipal bond insurance policy issued by a Bond Insurer, which guaranties payment of principal of and interest on one or more Grant Receipts – PFC Obligations.

“Bond Insurer” means, with respect to any Series of Grant Receipts – PFC Obligations, the insurance company that has insured the payment of the principal of and interest on all or any portion of such Series and any successor thereto.

“Bond Year” means a 12-month period commencing on January 2 of each calendar year and ending on January 1 of the next succeeding calendar year.

“Capital Appreciation Obligation” means a Grant Receipts – PFC Obligation bearing interest that is compounded on an initial date and semiannually thereafter, and is payable at maturity.

“Certificate” means an instrument of the City in writing signed by an Authorized Officer. Any such instrument in writing and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instruments, opinion or representation, and the two or more so combined shall be read and construed so as to form a single instrument. Any Certificate may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants, or engineers, respectively, unless the officer signing such Certificate knows that the opinion or representation with respect to the matters upon which such Certificate may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture or any Supplemental Indenture, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

“Chief Financial Officer” means the Chief Financial Officer appointed by the Mayor, or the City Comptroller of the City at any time a vacancy exists in the office of the Chief Financial Officer.

“City” means 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 Council” means the City Council of the City, or any succeeding governing or legislative body of the City.

“Code” means the Internal Revenue Code of 1986, as from time to time supplemented and amended. References to the Code and to sections of the Code shall include relevant final, temporary or proposed Regulations as in effect from time to time and, with reference to any Series of Grant Receipts – PFC Obligations, as applicable to obligations issued on the date of issuance of such Series.

“Commissioner” means the Commissioner of the Department of Aviation of the City or any designee of said Commissioner or any successor or successors to the duties of any such official.

“Consulting Engineer” means a registered or licensed engineer or engineers, or firm or firms of engineers, with expertise in the field of designing, preparing plans and specifications for, supervising the construction, improvement and expansion of, and supervising the maintenance of, airports and aviation facilities, entitled to practice and practicing as such under the laws of the State of Illinois, who, in the case of any individual, shall not be a director, officer or employee of the City.

“Costs of Issuance” means any item of expense payable or reimbursable, directly or indirectly, by the City and related to the authorization, offering, sale, issuance and delivery of Grant Receipts – PFC Obligations of any Series, including without limitation, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and disbursements, fees and disbursements of any Independent Accountant and Consulting Engineer, fees and disbursements of other consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Grant Receipts – PFC Obligations, application fees, premiums and charges on a Credit Facility and costs and expenses relating to the refunding of any bonds or other obligations of the City issued in connection with the Airports, but only to the extent the same constitute *“Costs of the Projects.”*

“Costs of the Project” or *“Costs of the Projects”* means all or any part designated by the City of the cost of the Projects, or interest in the improvements being acquired, which cost, at the option of the City, except as limited by law, may include all or any part of the incidental cost relating to the Projects, including, without limitation, the following costs and expenses if incurred on or after November 5, 1990 and to the extent each such cost or expense otherwise constitutes an *“allowable cost”* as such term is defined in the PFC Regulations:

(a) Obligations incurred for labor and to contractors, builders, and materialmen in connection with the construction, installation and acquisition of the Projects or any part thereof, and obligations incurred for the installation and acquisition of machinery and equipment;

(b) Payment to owners and others for real property including payments for options, easements or other contractual rights;

(c) All expenses incurred in the acquisition of real property, including all costs and expenses of whatever kind in connection with the exercise of the power of eminent domain, and including the cost of title searches and reports, abstracts of title, title certificates and opinions, title guarantees, title insurance policies, appraisals, negotiations and surveys;

(d) The amount of any damages incident to or consequent upon the construction, installation and acquisition of the Projects;

(e) The cost of any indemnity, fidelity and surety bonds, the fees and expenses of the Trustee during construction, installation and acquisition of Projects, and premiums on insurance, if any, in connection with such Projects during construction, installation and acquisition, including builders' risk insurance;

(f) The cost of engineering and architectural services which includes borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to the development of contract documents and supervising construction, as well as for the performance of all other duties of engineers and architects set forth herein in relation to the construction, installation and acquisition of such Projects or the issuance of the Airport PFC Obligations therefor;

(g) Costs of Issuance and Administrative Expenses;

(h) Any cost properly chargeable to such Projects prior to and during construction, installation and acquisition;

(i) The cost of restoring, repairing and placing in its original condition, as nearly as practicable, all public or private property damaged or destroyed in the construction of such Projects and the cost thereof, or the amount required to be paid by the City as adequate compensation for such damage or destruction, and all costs lawfully incurred or damages lawfully payable, with respect to the restoration, relocation, removal, reconstruction or duplication of property made necessary or caused by the construction and installation of such Projects and the cost thereof.

(j) Any obligation or expense incurred by the City for moneys advanced in connection with the construction, installation and acquisition of Projects and the cost thereof;

(k) Rebates or other similar payments due the United States of America under Section 148 of the Code with respect to the Airport PFC Obligations; and

(l) All other items of cost and expense incident to the construction, installation and acquisition of Projects and the financing thereof, including the payment of interest on Airport PFC Obligations from amounts in any capitalized interest account.

“Counsel’s Opinion” means a written opinion of counsel selected by the City (who may be the Corporation Counsel for the City).

“Credit Facility” means, with respect to a Series of Grant Receipts – PFC Obligations, the irrevocable letter of credit, line of credit, Bond Insurance Policy, surety or other form of credit enhancement and/or liquidity support, if any, including any alternate or replacement Credit Facility, for such Series of Grant Receipts – PFC Obligations.

“*Credit Provider*” means, with respect to a Series of Grant Receipts – PFC Obligations, the provider of a Credit Facility, if any, for such Series of Grant Receipts – PFC Obligations.

“*Defeasance Obligation*” means direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or non-callable defeased municipal bonds rated AAA by any Rating Agency.

“*Event of Default*” means an Event of Default under Section 901.

“*FAA*” means the Federal Aviation Administration, or the successor to its powers and authority.

“*Federal Obligation*” means 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.

“*Fiduciary*” means the Trustee, any paying agent or any tender agent or any or all of them, as may be appropriate.

“*First Lien Bond Fund*” means the Chicago O’Hare International Airport Passenger Facility Charge Bond Fund created by Section 301 of the First Lien PFC Indenture.

“*First Lien Defeasance Date*” means the date that the pledge contained in Section 204 of the First Lien PFC Indenture shall be discharged and satisfied as provided in Article VI of the First Lien PFC Indenture.

“*First Lien Deposit Requirements*” means, with respect to any computation period, the sum of the required disbursements from the First Lien Bond Fund pursuant to Section 303 of the First Lien Indenture.

“*First Lien PFC Indenture*” means the Master Trust Indenture Securing Chicago O’Hare International Airport Passenger Facility Charge Revenue Bonds dated as of January 1, 2008, from the City to the First Lien Trustee, as heretofore amended or supplemented and as further amended or supplemented by one or more Supplemental First Lien Indentures.

“*First Lien PFC Obligations*” means (a) any of the bonds, notes or evidences of indebtedness of the City authenticated and delivered pursuant to Article II of the First Lien PFC Indenture, (b) any obligation incurred pursuant to Section 208 of the First Lien

PFC Indenture and (c) any obligation incurred pursuant to Section 209 of the First Lien PFC Indenture.

“First Lien Trustee” means The Bank of New York Mellon Trnst Company, N.A., as trustee under the First Lien PFC Indenture, or its successor as such trustee hereafter appointed in the manner provided in the First Lien PFC Indenture.

“Funds” means the special funds created and established pursuant to Article III.

“Grant Letter of Intent or Grant Agreement” means, collectively, (i) the O’Hare Letter of Intent No. AGL-06-01, dated November 21, 2005 from the FAA to the Commissioner; (ii) the O’Hare Letter of Intent No. AGL-10-01, dated April 21, 2010 from the FAA to the Commissioner; and (iii) any other letter of intent, grant agreement or other document providing for the payment from the United States of America or any agency thereof of moneys in aid of financing Costs of the Projects to the extent the moneys to be paid to the City pursuant to such letter of intent, grant agreement or other document are made subject to the pledge of and lien on Grant Receipts created by this Indenture by the filing of a Certificate with the Trustee granting such pledge and stating the terms of such pledge.

“Grant Receipts” means moneys received by the City from the United States of America and agencies thereof, including the FAA, pursuant to a Grant Letter of Intent or Grant Agreement.

“Grant Receipts Deposit Account” means the Account so named in the Grant Receipts – Subordinated PFC Bond Fund.

“Grant Receipts Disbursement Account” means the Account so named in the Grant Receipts – Subordinated PFC Bond Fund.

“Grant Receipts – PFC Obligations” means (a) any of the bonds, notes or evidences of indebtedness issued by the City under and pursuant to Article II of this Indenture, (b) any Section 208 Obligations and (c) any Section 209 Obligations.

“Grant Receipts – Subordinated PFC Bond Fund” means the Chicago O’Hare International Airport, Grant Receipts and Passenger Facility Charge Subordinated Bond Fund created by Section 301 of the Indenture and held by the Trustee.

“Indenture” means this Master Trust Indenture as originally executed and delivered by the City and the Trnstee and as the same may from time to time be amended or supplemented by one or more Supplemental Indentures.

“Independent Accountant” means a licensed certified public accountant selected by the City who (a) in the case of an individual, shall not be an officer or employee of the

City, (b) shall be satisfactory to the Trustee and (c) may be the accountant that regularly audits the books of the City or any of the Airports.

“Independent Airport Consultant” means a consultant selected by the City 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 an officer or employee of the City.

“Initial Bonds” means the Chicago O’Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Revenue Bonds, Series 20__, of the City.

“Insured Obligation” means any Grant Receipts – PFC Obligation with respect to which the payment of principal and interest is guaranteed under a Bond Insurance Policy.

“Interest Payment Date” means any Payment Date on which interest on any Grant Receipts – PFC Obligation is payable.

“Maximum Annual Debt Service” means, as of any computation date, the maximum Pro Forma Annual Debt Service in any future Bond Year for Grant Receipts – PFC Obligations.

“Net PFC Revenues” means, with respect to any computation period, the PFC Revenues for such period remaining after deducting therefrom the sum of the First Lien Deposit Requirements for such period and the Priority Lien Deposit Requirements for such period.

“O’Hare” means Chicago O’Hare International Airport.

“Outstanding,” (a) when used with reference to First Lien PFC Obligations shall have the meaning ascribed to such term in the First Lien PFC Indenture, (b) when used with reference to Priority Obligations shall have the meaning ascribed to that term in the Priority Obligation Indenture and, (c) when used with reference to the Grant Receipts – PFC Obligations, means, as of any date, all Grant Receipts – PFC Obligations theretofore or thereupon being issued under this Indenture or incurred pursuant to Section 208 except:

(a) Grant Receipts – PFC Obligations cancelled by the Trustee or the owner of a Section 208 Obligation, as the case may be, at or prior to such date or theretofore delivered to the Trustee or the City, as the case may be, for cancellation;

(b) Grant Receipts – PFC Obligations (or portions of Grant Receipts – PFC Obligations) for the payment or redemption of which there shall be held in trust and set aside for such payment or redemption (whether at, prior to or after the

maturity or redemption date) moneys or Defeasance Obligations the principal of and interest on which when due or payable will provide moneys, together with the moneys, if any, deposited with the Trustee at the same time, in an amount sufficient to pay the principal or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, and, if such Grant Receipts – PFC Obligations are to be redeemed, for which notice of such redemption shall have been given as provided in the related Supplemental Indenture or provisions satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Grant Receipts – PFC Obligations for the transfer or exchange of, in lieu of or in substitution for which other Grant Receipts – PFC Obligations shall have been authenticated and delivered pursuant to this Indenture; and

(d) Grant Receipts – PFC Obligations deemed to have been paid as provided in Section 601.

“*Owner*” or “*owner*” means the registered owner of any bond constituting a Grant Receipts – PFC Obligation.

“*Payment Date*” means any date on which a Principal Installment or interest on any Series of Grant Receipts – PFC Obligations is payable in accordance with its terms and the terms of this Indenture and the Supplemental Indenture creating such Series or, in the case of Section 208 Obligations or amounts payable under any Qualified Swap Agreement, in accordance with the terms of the instrument creating such Section 208 Obligations or such Qualified Swap Agreement.

“*PFC Act*,” means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, §§ 9110 and 9111, recodified as 49 U.S.C. § 40117, as amended from time to time.

“*PFC Approvals*,” means the Records of Decision of the FAA relating to passenger facility charges imposed by the City at O’Hare.

“*PFC Capital Fund*,” means the Chicago O’Hare International Airport, Passenger Facility Charge Revenue Bonds, PFC Capital Fund created by Section 301 of the First Lien PFC Indenture.

“*PFC Regulations*” means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act.

“*PFC Revenue Fund*” means the Chicago O’Hare International Airport, Passenger Facility Charge Revenue Bonds, PFC Revenue Fund created by Section 301 of the First Lien PFC Indenture.

“PFC Revenues” means all revenue received by the City from the passenger facility charges imposed by the City at O’Hare pursuant to the PFC Act, the PFC Regulations, the PFC Approvals and an ordinance adopted by the City Council on January 12, 1993, including any interest earned thereon after such revenue has been remitted to the City as provided in the PFC Regulations, all of which are pledged to the First Lien PFC Obligations. PFC Revenues means all or a portion of the PFC Revenues.

“PFC Revenues Deposit Account” means the Account so named in the Grant Receipts – Subordinated PFC Bond Fund.

“Plan of Finance Compliance Certificate” means the Plan of Finance Compliance Certificate substantially in the form attached hereto as *Exhibit A*.

“Principal Installment” means,

(a) as of any particular date of computation and with respect to First Lien PFC Obligations of a particular series or reimbursement obligation under Section 208 of the First PFC Indenture, an amount of money equal to the aggregate of (i) the principal amount of Outstanding First Lien PFC Obligations of said series or reimbursement obligation under Section 208 of the First Lien PFC Indenture, which mature on a single future date, reduced by the aggregate principal amount of such Outstanding First Lien PFC Obligations which would at or before said future date be retired by reason of the payment when due and application in accordance with the First Lien PFC Indenture of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding First Lien PFC Obligations, plus (ii) the amount of any Sinking Fund Payments payable on said future date for the retirement of any Outstanding First Lien PFC Obligations of such series or reimbursement obligation under Section 208 of the First Lien PFC Indenture, and said future date shall, for all purposes hereof, be deemed to be the date when such Principal Installment is payable and the date of such Principal Installment;

(b) as of any particular date of computation and with respect to Priority Obligations of a particular series or reimbursement obligation, an amount of money equal to the aggregate of (i) the principal amount of Outstanding Priority Obligations of said series or reimbursement obligation which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Priority Obligations which would at or before said future date be retired by reason of the payment when due and the application in accordance with the Priority Obligation Indenture and the Supplemental Priority Obligation Indenture creating such series or the instrument creating such reimbursement obligation of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Priority Obligations, plus (ii) the amount of any Sinking Fund Payments payable on said future date for the retirement of such Outstanding

Priority Obligations, and said future date shall, for all purposes hereof, be deemed to be the date when such Principal Installment is payable and the date of such Principal Installment; and

(c) as of any particular date of computation and with respect to Grant Receipts – PFC Obligations of a particular Series or consisting of a particular Section 208 Obligation, an amount of money equal to the aggregate of (i) the principal amount of Outstanding Grant Receipts – PFC Obligations of said Series or Section 208 Obligation which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Grant Receipts – PFC Obligations which would at or before said future date be retired by reason of the payment when due and the application in accordance with this Indenture and the Supplemental Indenture creating such Series or the instrument creating such Section 208 Obligation of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Grant Receipts – PFC Obligations, plus (ii) the amount of any Sinking Fund Payments payable on said future date for the retirement of such Outstanding Grant Receipts – PFC Obligations, and said future date shall, for all purposes hereof, be deemed to be the date when such Principal Installment is payable and the date of such Principal Installment.

“Prior Lien Deposit Requirements” means, with respect to any computation period, the sum of the required disbursements from any bond fund or similar fund or account maintained under the Priority Obligation Indenture or any Supplemental Priority Obligation Indenture.

“Priority Obligation” means any Subordinated PFC Obligation payable from and secured by a pledge of and lien on Subordinate Lien PFC Revenues that is superior to the pledge and lien granted by this Indenture as security for the payment of Grant Receipts – PFC Obligations.

“Priority Obligation Indenture” means any indenture, security agreement or other instrument pursuant to which any Priority Obligation is secured.

“Pro Forma Annual Debt Service” means, with respect to a particular Bond Year, an amount of money equal to (a) in the case of First Lien PFC Obligations, Aggregate First Lien Debt Service on the date of computation, (b) in the case of Priority Obligations, Aggregate Priority Obligation Debt Service on the date of computation and (c) in the case of Grant Receipts – PFC Obligations, Aggregate Subordinate Lien Debt Service on the date of computation. In computing Pro Forma Annual Debt Service, interest shall be excluded from the determination to the extent that capitalized interest or accrued interest paid by purchasers of First Lien PFC Obligations, Priority Obligations or Grant Receipts – PFC Obligations is available to pay such interest.

“Project” or *“Projects”* means any additions, betterments, extensions, other improvements of or related to the Airports or other costs incurred for any purpose at or

related to the Airports from time to time (whether or not located at the Airports) including, without limitation, the acquisition of land, which shall be authorized by the FAA and shall constitute an “approved project,” as such term is defined in the PFC Regulations.

“*Project Obligations*” means all Series of Grant Receipts – PFC Obligations other than a Series of Refunding Obligations.

“*Qualified Collateral*” means:

- (a) Federal Obligations;
- (b) 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 any Rating Agency; and
- (c) 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.

“*Qualified Investments*” means:

- (a) Federal Obligations;
- (b) prerefunded municipal obligations meeting the following conditions:
 - (a) the municipal obligations are not subject to redemption prior to maturity, or the trustee therefor has been given irrevocable instructions concerning their calling and redemption and the issuer thereof has covenanted not to redeem such obligations other than as set forth in such instructions;
 - (b) the municipal obligations are secured by cash and/or Federal Obligations, which Federal Obligations may be applied only to interest, principal and premium payments of such municipal obligations;
 - (c) the principal of and interest on the Federal Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations;
 - (d) the Federal Obligations serving as security for the municipal obligations are held by an escrow agent or trustee;
 - (e) the Federal Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and
 - (f) the municipal obligations are rated in their highest rating category by any Rating Agency.
- (c) deposits in interest-bearing deposits or certificates of deposit or similar arrangements issued by any bank or national banking association,

including the Trustee, which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to the amount of such deposits, marked to market monthly, and which Qualified Collateral 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 the City and the Trustee, with another bank, trust company or national banking association for the benefit of the City and the appropriate Fund or Account as collateral security for such deposits;

(d) 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 any Rating Agency;

(e) 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, Fannie Mae, Student Loan Marketing Association, Federal Farm Credit Bureau, Federal Home Loan Mortgage Corporation, Federal Housing Administration, 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;

(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;

(g) any repurchase agreements collateralized by securities described in clauses (a) or (e) above with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank, if such broker/dealer or bank or parent holding company providing a guaranty has an uninsured, unsecured and unguaranteed obligation rated (an "*unsecured rating*") Prime-1 and A or better by Moody's Investors Service, Inc. or A-1 or A3 or better by Standard & Poor's Ratings Services provided (1) a specific written agreement governs the transaction; (2) the securities are held by a depository acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and with combined capital, surplus and undivided profits of not less than \$25,000,000, and the Trustee shall have received written confirmation from such third party that it

holds such securities; (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R 306.1 *et seq.* or 31 C.F.R 350.0 *et seq.* in such securities is created for the benefit of the Trustee; (4) the repurchase agreement has a term of one year or less, or the collateral securities will be valued no less frequently than monthly and will be liquidated if any deficiency in the required collateral percentage is not restored within two business days of such valuation; (5) the repurchase agreement matures at least 10 days (or other appropriate liquidation period) prior to a Payment Date; and (g) the fair market value of the securities in relation to the amount of the repurchase obligations, including principal and interest, is equal to at least 100 percent;

(h) shares of an investment company, organized under the Investment Company Act of 1940 as amended, which invests its assets exclusively in obligations of the type described in clauses (a) to (f);

(i) investment agreements which represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case that has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, in one of the two highest rating categories by Standard & Poor's Ratings Group ("*S&P*") and Moody's Investors Service, Inc. ("*Moody's*");

(j) long-term or medium-term corporate debt guaranteed by any corporation that is rated by both S&P and Moody's in either of their two highest rating categories;

(k) prime commercial paper of a United States corporation, finance company or banking institution rated at least "*P-1*" by Moody's and at least "*A-1*" by S&P, if S&P then maintains a rating on such paper; and

(l) any other type of investment in which the City directs the Trustee in writing to invest, provided that there is delivered to the Trustee a certificate of an Authorized Officer stating that each Rating Agency has been informed of the proposal to invest in such investment and each Rating Agency has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any Grant Receipts – PFC Obligations.

"*Qualified Swap Agreement*" means an agreement between the City and a Swap Provider under which the City agrees to pay the Swap Provider an amount calculated at an agreed-upon rate or index based upon a notional amount and the Swap Provider agrees to pay the City for a specified period of time an amount calculated at an agreed-upon rate or index based upon such notional amount, where (i) each Rating Agency (if such Rating Agency also rates the unsecured obligations of the Swap Provider or its guarantor) has assigned to the unsecured obligations of the Swap Provider or of the person who

guarantees the obligation of the Swap Provider to make its payments to the City, as of the date the swap agreement is entered into, a rating that is equal to or higher than the rating then assigned to the Grant Receipts – PFC Obligations by such Rating Agency (without regard to any Bond Insurance Policy or any other Credit Facility), and (ii) the City has notified each Rating Agency (whether or not such Rating Agency also rates the unsecured obligations of the Swap Provider or its guarantor) in writing, at least 15 days prior to executing and delivering the swap agreement of its intention to enter into the swap agreement and has received from such Rating Agency a written indication that the entering into of the swap agreement by the City will not in and of itself cause a reduction or withdrawal by such Rating Agency of its unenhanced rating on the Grant Receipts – PFC Obligations.

“*Rating Agency*” means any rating agency that has an outstanding credit rating assigned to any Grant Receipts – PFC Obligations at the request of the City.

“*Redemption Price*,” means with respect to any Series of Grant Receipts – PFC Obligations, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Grant Receipts – PFC Obligations or the Supplemental Indenture creating such Series of Grant Receipts – PFC Obligations, or such other redemption price as may be specified in such Grant Receipts – PFC Obligations or Supplemental Indenture.

“*Refunding Obligations*” means all Grant Receipts – PFC Obligations, whether issued in one or more Series, authenticated and delivered on original issuance for the purpose of the refunding of First Lien PFC Obligations, Priority Obligations or Grant Receipts – PFC Obligations.

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

“*Subordinate Lien PFC Revenues*” means (a) all funds or moneys permitted to be withdrawn from the PFC Revenue Fund pursuant to Clause Second of Section 302(b) of the First Lien PFC Indenture; (b) all funds or moneys permitted to be withdrawn from the First Lien Bond Fund pursuant to Section 304(b) of the First Lien PFC Indenture; (c) all funds or moneys permitted to be withdrawn from the PFC Capital Fund subject to the first use of the PFC Capital Fund to make payments required by Clause First of Section 302(b) of the First Lien PFC Indenture when amounts in the PFC Revenue Fund are insufficient to make such payment; (d) all PFC Revenues held by the City or the First Lien Trustee on the First Lien Defeasance Date, except any moneys, securities and funds held by the First Lien Trustee for the payment of First Lien PFC Obligations; and (e) all PFC Revenues to be derived from and after the First Lien Defeasance Date.

“*Section 208 Obligations*” means any obligations incurred by the City to reimburse the Credit Providers of one or more Credit Facilities (including Qualified Reserve Account Instruments as defined in Section 413 hereof) securing one or more

Series of Grant Receipts – PFC Obligations as described in Section 208, whether such obligations are set forth in one or more reimbursement agreements entered into between the City and the Credit Provider, or in one or more notes or other evidences of indebtedness executed and delivered by the City pursuant thereto.

“*Section 209 Obligations*” means any obligations incurred by the City to any one or more Swap Providers pursuant to Section 209, including any fees or amounts payable by the City under each related Qualified Swap Agreement.

“*Series*” shall mean all of the Grant Receipts – PFC Obligations authenticated and delivered on original issuance pursuant to a Supplemental Indenture and designated as a Series therein, but, unless the context clearly indicates otherwise, shall not include Section 208 Obligations.

“*Sinking Fund Payment*” means:

(a) as of any particular date of determination and with respect to the outstanding First Lien PFC Obligations of any series or reimbursement obligation under Section 208 of the First Lien PFC Indenture, the amount required by a Supplemental First Lien PFC Indenture to be paid in any event by the City on a single future date for the retirement of First Lien PFC Obligations of such series or reimbursement obligation under Section 208 of the First Lien PFC Indenture which mature after said future date, but does not include any amount payable by the City by reason only of the maturity of a First Lien PFC Obligations or reimbursement obligation under Section 208 of the First Lien PFC Indenture;

(b) as of any particular date of determination and with respect to the outstanding Priority Obligations of any series or reimbursement obligation under the Priority Obligation Indenture, the amount required by the Priority Obligation Indenture or a Supplemental Priority Obligation Indenture to be paid in any event by the City on a single future date for the retirement of Priority Obligations of such series or reimbursement obligation under the Priority Obligation Indenture which mature after said future date, but does not include any amount payable by the City by reason only of the maturity of a Priority Obligations or reimbursement obligation under the Priority Obligation Indenture; and

(c) as of any particular date of determination and with respect to the Outstanding Grant Receipts – PFC Obligations of any Series or consisting of any Section 208 Obligation, the amount required by the Supplemental Indenture creating such Series or the instrument creating such Section 208 Obligation to be paid in any event by the City on a single future date for the retirement of such Grant Receipts – PFC Obligations which mature after said future date, but does not include any amount payable by the City by reason only of the maturity of a Grant Receipts – PFC Obligation.

“Subordinated PFC Bonds” means any bonds, notes or evidences of indebtedness, including Grant Receipts – PFC Obligations, issued by the City as permitted by Section 405 of the First Lien PFC Indenture.

“Supplemental First Lien Indenture” means an indenture supplemental to or amendatory of the First Lien PFC Indenture executed and delivered by the City and the First Lien Trustee as provided in Article VII of the First Lien PFC Indenture.

“Supplemental Indenture” means an indenture supplemental to or amendatory of this Master Trust Indenture, executed and delivered by the City and the Trustee in accordance with Article VII.

“Supplemental Priority Obligation Indenture” means an indenture supplemental to or amendatory of the Priority Obligation Indenture.

“Swap Provider” means any person with which the City enters into a Qualified Swap Agreement.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses hereof

“Trustee” means _____, as trustee hereunder, or its successor as such trustee hereafter appointed in the manner provided in this Indenture.

Section 102. Interpretation. In this Indenture, unless the context otherwise requires:

(i) The terms *“hereby,” “hereof,” “hereto,” “hereunder,” “herein”* and any similar terms used herein refer to this Indenture, and the term *“hereafter”* shall mean after, and the term *“heretofore”* shall mean before, the date of this Indenture.

(ii) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

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

(iv) Words importing the redemption or redeeming of a Grant Receipts – PFC Obligation or the calling of a Grant Receipts – PFC Obligation for redemption do not include or connote the payment of such Grant Receipts – PFC Obligation at its stated maturity or the purchase of such Grant Receipts – PFC Obligation.

(v) Any percentage of Grant Receipts – PFC Obligations, for purposes of this Indenture, shall be computed on the basis of the unpaid principal amount of Grant Receipts – PFC Obligations Outstanding at the time the computation is made or is required to be made hereunder.

(vi) In determining the Owners of the requisite percentage of Owners of Grant Receipts – PFC Obligations for purposes of any consent, approval or waiver hereunder, Outstanding Grant Receipts – PFC Obligations constituting Section 209 Obligations shall be disregarded.

(vii) The term “*principal*” when used in connection with a Capital Appreciation Obligation shall mean as of a particular date, the original principal amount of such Capital Appreciation Obligation as of its date of issuance plus interest accreted thereon to such particular date.

(viii) Any headings preceding the text of the several Articles and Sections of this Indenture, 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 Indenture, nor shall they affect its meaning, construction or effect.

(ix) Articles and Sections mentioned by number only are the respective Articles and Sections of this Indenture so numbered.

Section 103. Variable Interest Rates. For the purpose of determining Annual First Lien Debt Service, Annual Priority Obligation Debt Service and Annual Subordinate Lien Debt Service, interest on variable rate indebtedness, including any variable rate First Lien PFC Obligation, variable rate Priority Obligation or variable rate Grant Receipts – PFC Obligation, shall be calculated at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least 12 months, the average rate over the 12 months immediately preceding the date of calculation, and (iii)(1) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published), or (2) if interest is not so excludable, the interest rate on Federal Obligations with comparable maturities plus 50 basis points.

Section 104. Tender Option Grant Receipts – PFC Obligations. The City may issue Grant Receipts – PFC Obligations subject to tender at the option of the Owner if the payment of the purchase price of tendered Grant Receipts – PFC Obligations is to be provided pursuant to a letter of credit or standby liquidity agreement with a bank or liquidity provider with obligations rated in one of the three highest short-term rating categories assigned by any Rating Agency.

Section 105. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the City or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Indenture or of the Grant Receipts – PFC Obligations.

Section 106. Successors and Assigns. Whenever in this Indenture the City is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the City contained in this Indenture shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the City, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Indenture.

Section 107. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the City, the Trustee, the Owners of the Grant Receipts – PFC Obligations, any Bond Insurer, and any Credit Provider, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee, any Bond Insurer, any Credit Provider and the Owners of the Grant Receipts – PFC Obligations.

ARTICLE II

Authorization and Issuance of Grant Receipts – PFC Obligations

Section 201. Authorization for Indenture. This Indenture is executed and delivered by the City by virtue of and pursuant to the home rule powers of the City. The City has ascertained and hereby determines and declares that the execution and delivery of this Indenture is necessary to meet the commercial and general aviation needs of the citizens of the City, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient to carry out and effectuate such purposes of the City and to carry out its powers and is in furtherance of the public benefit, safety and welfare of the City and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order better to secure the Grant Receipts – PFC Obligations and are contracts or agreements necessary, useful and convenient to carry out and effectuate the corporate purposes of the City.

Section 202. Indenture to Constitute Contract. In consideration of the purchase and acceptance of Grant Receipts – PFC Obligations by those who shall hold the same from time to time, the provisions of this Indenture and any Supplemental Indenture shall be a part of the contract of the City with the owners of Grant Receipts – PFC Obligations and shall be deemed to be and shall constitute a contract between the City, the Trustee and the owners from time to time of the Grant Receipts – PFC Obligations.

Section 203. Authorization of Grant Receipts – PFC Obligations. In order to provide sufficient funds for the financing or refinancing of Projects, Grant Receipts – PFC Obligations, constituting Subordinated PFC Obligations as defined in the First Lien PFC Indenture, are hereby authorized to be issued from time to time in one or more Series as hereinafter provided, without limitation as to amount except as may be limited by law, for the purpose of (a) the payment, or the reimbursement for the payment of, the Costs of Projects, (b) the refunding of any First Lien PFC Obligations, Priority Obligations, Grant Receipts – PFC Obligations or other obligations issued to finance or refinance the Costs of Projects, including, without limitation, any revenue bonds or commercial paper notes issued by the City to finance or refinance the Costs of Projects, or (c) the funding of any Fund or Account (as defined in the First Lien PFC Indenture) or any Fund or Account as specified in this Indenture or the Supplemental Indenture under which any Grant Receipts – PFC Obligations are issued; including, in each case, payment of Costs of Issuance. Grant Receipts – PFC Obligations consisting of Section 208 Obligations and Section 209 Obligations are also hereby authorized to be incurred from time to time as provided for in Section 208 and Section 209, respectively, for the purposes set forth therein.

Section 204. Source of Payment; Pledge of Subordinate Lien PFC Revenues, Grant Receipts and Other Moneys. (a) The Grant Receipts – PFC Obligations shall be legal, valid and binding limited obligations of the City payable from Subordinate Lien PFC Revenues, Grant Receipts and certain other moneys and securities held by the Trustee under the provisions of this Indenture and any Supplemental Indenture. The Grant Receipts – PFC Obligations and the interest thereon do not constitute an indebtedness or a loan of credit of the City within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the City, the State of Illinois or any political subdivision thereof is pledged to the payment of the principal of or interest on the Grant Receipts – PFC Obligations.

(b) A pledge of the Trust Estate, to the extent set forth in the Granting Clauses hereof, and of all moneys and securities held or set aside or to be held or set aside by the Trustee under this Indenture or any Supplemental Indenture is hereby made, and the same are hereby pledged, to secure the payment of the principal and Redemption Price of, and interest on, the Grant Receipts – PFC Obligations, subject only to the provisions of this Indenture or any Supplemental Indenture requiring or permitting the payment, setting apart or appropriation thereof for or to the purposes and on the terms, conditions,

priorities and order set forth in or provided under this Indenture or such Supplemental Indenture. This pledge shall be valid and binding from and after the date of issuance of any Grant Receipts – PFC Obligations hereunder.

(c) Subject to the retained right of the City to issue Priority Obligations that are secured by a pledge of and lien on Subordinate Lien PFC Revenues that is superior to the pledge and lien created by this Indenture, the Subordinate Lien PFC Revenues so pledged as part of the Trust Estate and then or thereafter received by the City and deposited in the PFC Revenues Deposit Account shall immediately be subject to the lien of such pledge without any further physical delivery or further act.

(d) The Grant Receipts so pledged as part of the Trust Estate and then or thereafter received by the City and deposited into the Grant Receipts Deposit Account shall immediately be subject to the lien of such pledge without any further physical delivery or further act.

(e) The liens of the pledges created by subsections (c) and (d) of this Section shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such parties have notice thereof

(f) Any application of Subordinate Lien PFC Revenues or moneys in the PFC Capital Fund for the payment of any principal of or interest on the Chicago O'Hare International Airport Third Lien Revenue Bonds, Series 2008A or Series 2010F or for the funding of any deposit requirements with respect to such Third Lien Revenue Bonds shall be junior and subordinate to the pledge of and lien on Subordinate Lien PFC Revenues created by this Indenture.

Section 205. Issuance of Grant Receipts – PFC Obligations; Supplemental Indentures. Each Series of Grant Receipts – PFC Obligations shall be created by a Supplemental Indenture which shall prescribe expressly or by reference with respect to such Series:

(a) the authorized principal amount and Series designation of such Grant Receipts – PFC Obligations;

(b) the purpose or purposes for which such Series is being issued;

(c) the manner in which the proceeds of the Grant Receipts – PFC Obligations of such Series are to be applied;

(d) the date or dates, and the maturity date or dates, of the Grant Receipts – PFC Obligations of such Series, or the manner of determining such dates;

(e) the interest rate or rates to be borne by the Grant Receipts – PFC Obligations of such Series or the manner of determining such rate or rates, and the Interest Payment Dates of such Series;

(f) the manner of dating, numbering and lettering the Grant Receipts – PFC Obligations of such Series;

(g) the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Grant Receipts – PFC Obligations of such Series or the manner of designating the same;

(h) the Redemption Price or Prices, if any, of, and the redemption terms for the Grant Receipts – PFC Obligations of such Series, or the manner of determining such Redemption Price or Prices and terms;

(i) the amount and due date of each Sinking Fund Payment, if any, for Grant Receipts – PFC Obligations of like maturity of such Series, or the manner of determining such amounts and dates;

(j) provisions as to registration of the Grant Receipts – PFC Obligations of such Series;

(k) the form and text of the Grant Receipts – PFC Obligations of such Series and provision for the Trustee's authentication thereof by certificate or otherwise; and

(l) any other provisions deemed advisable by the City as shall not conflict with the provisions hereof

Section 206. Conditions Precedent to Delivery of any Series of Project Obligations. Project Obligations of any Series shall be executed by the City and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the City or upon its order, but only following the receipt by the Trustee of:

(a) a copy of an ordinance adopted by the City Council, certified by the City Clerk, authorizing the execution and delivery of the Supplemental Indenture referred to in Section 205;

(b) a Counsel's Opinion to the effect that (i) the City had the right and power to adopt the ordinance referred to in (a) above; (ii) the ordinance has been duly and lawfully adopted by the City Council and is in full force and effect; (iii) this Indenture and such Supplemental Indenture have been duly and lawfully authorized by all necessary action on the part of the City, have been duly and lawfully executed by authorized officers of the City, are in full force and effect and are valid and binding upon the City and enforceable in accordance with their

terms (except as limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iv) this Indenture and such Supplemental Indenture create the valid pledge of Grant Receipts, Subordinate Lien PFC Revenues, moneys and securities which they purport to create; and (v) upon the execution, authentication and delivery thereof, the Grant Receipts – PFC Obligations of such Series will have been duly and validly authorized and issued in accordance with the Constitution and laws of the State of Illinois, this Indenture and such Supplemental Indenture;

(c) a written order as to the delivery of such Series, executed by an Authorized Officer (i) stating the identity of the purchasers, aggregate purchase price and date and place of delivery of such Series and that no Event of Default has occurred and is continuing under this Indenture and (ii) fixing and determining all terms and provisions of the Grant Receipts – PFC Obligations of such Series not fixed or determined by this Indenture or the Supplemental Indenture referred to in Section 205;

(d) an executed counterpart of the Supplemental Indenture referred to in Section 205;

(e) an executed counterpart of each Grant Letter of Intent or Grant Agreement;

(f) a Certificate stating: (i) that City is in compliance with the PFC Act and the PFC Regulations applicable to the City and the PFC Approvals; (ii) that all Projects and debt service thereon to be financed from the proceeds of such Series of Grant Receipts – PFC Obligations are included in PFC Approvals; (iii) the City is in compliance with each Grant Letter of Credit or Grant Agreement; (iv) the deposit and use of the Grant Receipts as provided in the Indenture will not violate any term or provision of the applicable Grant Letter of Intent or Grant Agreement; (v) the Grant Receipts do not constitute “*Revenues*” under the Chicago O’Hare International Airport, Airport Use Agreement and Terminal Facilities Lease; and (vi) in the case of variable rate Grant Receipts – PFC Obligations, that such variable rate Grant Receipts – PFC Obligations contain a maximum interest rate and that the PFC Approvals permit application of PFC Revenues to pay interest on such variable rate Grant Receipts – PFC Obligations up to such maximum interest rate;

(g) an executed Plan of Finance Compliance Certificate giving effect to the issuance of the proposed Series of Grant Receipts – PFC Obligations;

(h) except with respect to the Initial Bonds, either (i) a Certificate, stating that Available Revenues (adjusted as herein provided) received either (A) during the last completed fiscal year of the City or (B) for any period of

12 consecutive calendar months out of the 18 calendar months next preceding the date of issuance of such Series, were at least equal to _____% of Maximum Annual Debt Service as of the time immediately following the issuance of such Series of Grant Receipts – PFC Obligations; or (ii) a report of an Independent Airport Consultant estimating Net PFC Revenues and Grant Receipts for a forecast period of not less than three consecutive calendar years commencing with the calendar year next following the date of issuance of such Series and projecting that the estimated Available Revenues for each year of the forecast period will be at least equal to _____% of Maximum Annual Debt Service as of the time immediately following the issuance of such Series, or (iii) in the case of a Series issued to finance a Project that in the opinion of an Independent Airport Consultant is expected to result in a material increase in the capacity of O'Hare, a report of an Independent Airport Consultant estimating Net PFC Revenues and Grant Receipts for a forecast period of not less than three consecutive calendar years commencing with the calendar year next following the earlier of (A) the fifth anniversary of the date of issuance of such Series or (B) the date the Independent Airport Consultant estimates that the capacity enhancing Project financed by such Series will be completed, or if there is more than one such Project, the Project scheduled to be the last completed, and projecting that the estimated Net PFC Revenues and Grant Receipts for each year of the forecast period will be at least equal to _____% of Maximum Annual Debt Service as of the time immediately following the issuance of such Series. In any computation of any test under clause (i) of this subsection as to whether or not a Series may be issued, the amount of the PFC Revenues for the computation period shall be decreased by the amount of any loss, and may be increased by the amount of any gain, conservatively estimated by an Authorized Officer, which loss or gain results from any change in the rate of the levy of passenger facility charges constituting a part of the PFC Revenues, which change took effect during the computation period or thereafter prior to the issuance of such Series (or will take effect after the issuance of such Series to the extent legislation has been enacted to permit an increase in passenger facility charges and the City has taken all action required to impose such charges at O'Hare pursuant to such legislation), as if such modified rate shall have been in effect during the entire computation period. In any computation of any test under clause (ii) or clause (iii) of this subsection as to whether or not a Series may be issued, the Independent Airport Consultant shall assume that (a) the rate of the levy of passenger facility charges constituting a part of PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, provided that the Independent Airport Consultant may assume a higher rate to the extent legislation has been enacted to permit an increase in passenger facility charges and the City has taken all action required to impose such increased charges at O'Hare pursuant to such legislation and (b) the percentage of enplanned passengers subject to passenger facility charges during the forecast period will not exceed the average percentage during the three

calendar years immediately preceding the year the report of the Independent Airport Consultant is issued. In any computation of any test under clause (iii) of this subsection as to whether or not a Series may be issued, the Independent Airport Consultant, in projecting future enplanements at O'Hare following the completion of the capacity enhancing Project, may assume that enplanements will increase at the average rate of growth experienced in the prior three consecutive calendar years, plus an additional increase of not more than four percent in any one calendar year, and not more than ten percent in the three consecutive calendar years next following the date of completion of the Project.

(i) such further documents and moneys as are required by the provisions of Article VII or any Supplemental Indenture.

Section 207. Conditions Precedent to Delivery of any Series of Refunding Obligations. Refunding Obligations of any Series shall be executed by the City and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the City or upon its order, but only following the receipt by the Trustee of:

(a) The documents referred to in subsections (a), (b), (c), (d), (e), (f) and (g) of Section 206;

(b) if a redemption of Grant Receipts – PFC Obligations is to be effected, irrevocable instructions to the Trustee to give due notice of redemption of all the Grant Receipts – PFC Obligations to be redeemed as part of the refunding and the redemption date or dates, if any, upon which such Grant Receipts – PFC Obligations are to be redeemed;

(c) if a redemption of Grant Receipts – PFC Obligations is to be effected and the redemption is scheduled to occur subsequent to the next succeeding 45 days, irrevocable instructions to the Trustee to give or publish as provided in the applicable Supplemental Indenture notice of redemption of such Grant Receipts – PFC Obligations on a specified date prior to their redemption date;

(d) if a redemption of Grant Receipts – PFC Obligations is to be effected and the redemption is scheduled to occur subsequent to the next succeeding 90 days, a certificate of an Independent Accountant stating the amount of either (i) moneys (which may include all or a portion of such Series) in an amount sufficient to pay the Grant Receipts – PFC Obligations to be refunded at the applicable Redemption Price of the Grant Receipts – PFC Obligations to be refunded together with accrued interest on such Grant Receipts – PFC Obligations to the redemption date or dates, or (ii) Defeasance Obligations the principal of, and interest on, which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the Grant Receipts – PFC Obligations to be issued), if any, which must be contemporaneously

deposited with the Trustee, to be sufficient to pay when due the applicable Redemption Price of the Grant Receipts – PFC Obligations to be refunded, together with accrued interest on such Grant Receipts – PFC Obligations to the redemption date or dates or the date or dates of maturity thereof;

(e) either (i) the Certificate required under subsection (h) of Section 206 or (ii) a Certificate stating that, after giving effect to the issuance of such Series, the sum of the Pro Forma Annual Debt Service in each Bond Year for First Lien PFC Obligations, Priority Obligations and Grant Receipts – PFC Obligations will not exceed the sum of the Pro Forma Annual Debt Service in each such Bond Year for the First Lien PFC Obligations, Priority Obligations and Grant Receipts – PFC Obligations before the issuance of such Series; and

(f) such further documents and moneys as are required by the provisions of Article VII or any Supplemental Indenture.

Section 208. Credit Facilities to Secure Grant Receipts – PFC Obligations. The City reserves the right to provide Credit Facilities (including Qualified Reserve Account Instruments as defined in Section 413) to secure the payment of the principal of, premium, if any, and interest on one or more Series of Grant Receipts – PFC Obligations, or in the event owners of such Grant Receipts – PFC Obligations have the right to require purchase thereof, to secure the payment of the purchase price of such Grant Receipts – PFC Obligations upon the demand of such owners. In connection with any such Credit Facility, the City may execute and deliver an agreement setting forth the conditions upon which drawings or advances may be made under such Credit Facility and the method by which the City will reimburse the Credit Provider for such drawings together with interest thereon at such rate or rates and as may be agreed upon by the City and Credit Provider. Any such obligation of the City to reimburse the Credit Provider shall constitute a Section 208 Obligation and a Grant Receipts – PFC Obligation under this Indenture to the same extent as any Series of Grant Receipts – PFC Obligations issued pursuant to a Supplemental Indenture, and any and all amounts payable by the City to reimburse the Credit Provider, together with interest thereon, shall for purposes of this Indenture be deemed to constitute the payment of principal of, premium, if any, and interest on Grant Receipts – PFC Obligations.

Section 209. Hedging Transactions. (a) If the City shall enter into a Qualified Swap Agreement with a Swap Provider requiring the City to pay a fixed interest rate on a notional amount, or requiring the City to pay a variable interest rate on a notional amount, and the City has made a written determination that such Qualified Swap Agreement was entered into for the purpose of providing substitute interest payments for Grant Receipts – PFC Obligations of a particular maturity or maturities in a principal amount equal to the notional amount of the Qualified Swap Agreement and so long as the Swap Provider under such Qualified Swap Agreement is not in default under such Qualified Swap Agreement:

(i) for purposes of any calculation of Annual Subordinate Lien Debt Service, the interest rate on the Grant Receipts – PFC Obligations of such maturity or maturities shall be determined as if such Grant Receipts – PFC Obligations bore interest at the fixed interest rate or the variable interest rate, as the case may be, payable by the City under such Qualified Swap Agreement;

(ii) any net payments required to be made by the City to the Swap Provider pursuant to such Qualified Swap Agreement from Subordinate Lien PFC Revenues or Grant Receipts shall be made on a parity with payments due on other Grant Receipts – PFC Obligations solely from amounts on deposit to the credit of the Grant Receipts – Subordinate PFC Bond Fund; and

(iii) any net payments received by the City from the Swap Provider pursuant to such Qualified Swap Agreement shall be applied as directed in writing by the City.

(b) If the City shall enter into a swap agreement of the type generally described in subsection (a) of this Section 209 that does not satisfy the requirements for qualification as a Qualified Swap Agreement as a result of its failure to make the determination described therein or otherwise, then:

(i) the interest rate adjustment or assumptions referred to in paragraph (i) of said subsection (a) shall not be made;

(ii) any net payments required to be made by the City to the Swap Provider pursuant to such swap agreement from Subordinate Lien PFC Revenues or Grant Receipts shall be made only from amounts available after the payment of all other Grant Receipts – PFC Obligations; and

(iii) any net payments received by the City from the Swap Provider pursuant to such swap agreement may be treated as Subordinate Lien PFC Revenues at the option of the City and applied as directed in writing by the City.

Section 210. Application of Proceeds of Grant Receipts – PFC Obligations. The proceeds, including accrued interest, of any Series shall be deposited with the Trustee and shall be applied by the Trustee in the manner required by the Supplemental Indenture creating such Series.

ARTICLE III

Revenues and Funds

Section 301. Funds and Accounts. The Grant Receipts – Subordinated PFC Bond Fund is hereby created by the City as a special fund of the City to be held by the

Trustee as a separate and segregated fund to be designated the “Chicago O’Hare International Airport, Grant Receipts and Passenger Facility Charge Subordinated Bond Fund.” The Trustee shall establish within the Grant Receipts – Subordinated PFC Bond Fund, the Grant Receipts Deposit Account, the Grant Receipts Disbursement Account and the PFC Revenues Deposit Account.

Subject to the provisions of the First Lien PFC Indenture, the City agrees to establish and maintain a PFC Revenue Fund and a PFC Capital Fund for the administration of PFC Revenues. The Trustee shall not be responsible for the administration of the PFC Revenue Fund or the PFC Capital Fund when such Funds are held and maintained by the City or the First Lien Trustee.

The City may use the moneys in the PFC Capital Fund for any lawful purposes determined by the City as shall be permitted by the PFC Act, the PFC Regulations and the PFC Approvals and which shall be consistent with the provisions of Section 404.

The Trustee shall, at the written request of the City, establish such additional sub-funds within the Grant Receipts – Subordinated PFC Bond Fund, and Accounts and subaccounts within any such sub-funds, as shall be specified in such written request, for the purpose of identifying more precisely the sources of payments into and disbursements from the Grant Receipts – Subordinated PFC Bond Fund or such sub-funds, Accounts and subaccounts and in addition, the City shall, at the written request of the Trustee, establish additional Accounts for the purpose of segregating amounts available to pay the principal of, premium, if any, and interest on separate series of the Grant Receipts – PFC Obligations, and for the purpose of establishing the priority of the Grant Receipts – PFC Obligations over any other Subordinated PFC Bonds.

Additional sub-funds within the Grant Receipts – Subordinated PFC Bond Fund and Accounts and subaccounts within such sub-funds may also be created by any Supplemental Indenture; and any such Supplemental Indenture may provide that amounts on deposit in such sub-funds, Accounts and subaccounts shall be held by the Trustee for the sole and exclusive benefit of such Grant Receipts – PFC Obligations as may be specifically designated in such Supplemental Indenture.

Any moneys and securities held in the Grant Receipts – Subordinated PFC Bond Fund or any sub-account, Account or subaccount created pursuant to this Section shall be held in trust by the Trustee, as provided in this Indenture or such Supplemental Indenture, and shall be applied, used and withdrawn only for the purposes authorized in this Indenture or such Supplemental Indenture. All moneys and securities held by the City in any fund or account established for or with respect to PFC Revenues shall be accounted for and held separate and apart from all other moneys and securities of the City, and, until so applied, used and withdrawn, shall be held in trust by the City for the purposes for which such fund or account was established. The City will cause all moneys and securities held by the First Lien Trustee in the funds and accounts created by the First

Lien PFC Indenture to be applied, used and withdrawn solely for the purposes authorized in the First Lien PFC Indenture.

Section 302. Deposit of Grant Receipts. The City covenants and agrees that all Grant Receipts received by the City on and after the date of original issuance of the Initial Bonds shall be promptly paid to the Trustee for deposit to the credit of the Grant Receipts Deposit Account. On January 5 of each year any moneys held in the Grant Receipts Deposit Account shall be withdrawn from the Grant Receipts Deposit Account and promptly deposited to the credit of the Grant Receipts Disbursement Account.

Section 303. Deposit of PFC Revenues. The City covenants and agrees that all PFC Revenues received by the City shall be promptly deposited to the credit of the PFC Revenue Fund and that no payments shall be made from the PFC Revenue Fund except as permitted by Section 302 of the First Lien Indenture. Not later than the 20th day of each calendar month, after the disbursements to the (i) First Lien Trustee pursuant to Clause First of Section 302(b) of the First Lien Indenture and (ii) Priority Obligation Trustee pursuant to Clause Second of Section 302(b) of the First Lien Indenture, the City shall pay to the Trustee (or direct the First Lien Trustee to pay to the Trustee, if the PFC Revenue Fund is then held by the First Lien Trustee) for deposit into the PFC Revenues Deposit Account the net aggregate amounts required for disbursement by the Trustee to make the deposits required by Section 304 after taking into account the moneys then held in the Grant Receipts Disbursement Account and the Grant Receipts Deposit Account and available for disbursement by the Trustee to make the deposits required by Section 304.

Section 304. Disbursement from Grant Receipts – Subordinated PFC Bond Fund. The moneys in the Grant Receipts – Subordinated PFC Bond Fund shall be disbursed, *first* from the Grant Receipts Disbursement Account; *second* from the Grant Receipts Deposit Account and *third* from the PFC Revenues Deposit Account, and applied by the Trustee as required to make the following deposits on the dates and in the amounts provided:

(a) Sub-Fund Deposits. On any date required by the provisions of a Supplemental Indenture creating a Series of Grant Receipts – PFC Obligations, or by an instrument creating Section 208 Obligations or Section 209 Obligations, the Trustee shall segregate within the Grant Receipts – Subordinated PFC Bond Fund and credit to such sub-funds, accounts, and sub-accounts therein as may have been created for the benefit of such Series and such Section 208 Obligations or Section 209 Obligations such amounts as may be required to be so credited under the provisions of such Supplemental Indenture or instrument creating Section 208 Obligations or Section 209 Obligations to pay the principal of and interest on such Grant Receipts – PFC Obligations; and

(b) Other Required Deposits. On any date required by the provisions of a Supplemental Indenture or by an instrument creating Section 208 Obligations or

Section 209 Obligations for any other purpose, the Trustee shall segregate within the Grant Receipts – Subordinated PFC Bond Fund and credit to such sub-funds, Accounts and subaccounts therein as are specified in such Supplemental Indenture or instrument creating Section 208 Obligations or Section 209 Obligations the amounts required so to be withdrawn and deposited by the provisions of such Supplemental Indenture or such instrument.

Any moneys in the Grant Receipts Disbursement Account or the PFC Revenues Deposit Account in excess of the amounts required to be disbursed in the then current Bond Year as required in clauses (a) and (b) of this Section may be withdrawn by the City, free from the lien of this Indenture, pursuant to the written direction of the City expressed in a Certificate of an Authorized Officer filed with the Trustee.

Section 305. Use of Moneys in Grant Receipts – Subordinated PFC Bond Fund. Moneys on deposit in the Grant Receipts – Subordinated PFC Bond Fund and which have been credited to such sub-funds, Accounts and sub-accounts therein as may have been created for the benefit of a Series of Grant Receipts – PFC Obligations, Section 208 Obligations or Section 209 Obligations shall be used for the purposes specified in the Supplemental Indenture creating such Series or instruments securing such Section 208 Obligations or Section 209 Obligations.

Section 306. General Regulations as to Investments.

(a) All moneys held in any Fund or Account established and created under this Indenture shall be invested in Qualified Investments upon the oral direction of an Authorized Officer, or his or her designated representative, promptly confirmed in writing.

(b) Qualified Investments purchased as an investment of moneys in any Fund or Account established and created under this Indenture, together with the income derived therefrom, shall be deemed at all times to be a part of such Fund or Account. Qualified Investments so purchased shall be sold at the best price obtainable whenever it shall be necessary so to do in order to provide moneys to make any withdrawal or payment from such Fund or Account. For the purposes of any such investment, a Qualified Investment 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 Investment. Qualified Investments in which moneys held in any Fund or Account have been invested shall mature not later than the respective dates as estimated by the City, when the moneys held for the credit of any Fund or Account will be needed.

(c) In computing the amount in any Fund or Account, obligations maturing within the three year period next succeeding the date of computation shall be valued at amortized value, and obligations maturing more than three years following the date of computation shall be valued at the lower of amortized value or market value; provided

that investment agreements described in clause (i) of the definition of “*Qualified Investments*” shall be valued at amortized value.

(d) For purposes of this Indenture amortized value means par, if the obligation was purchased at par, or, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated for each interest payment date after such purchase from the purchase price in the case of an obligation purchased at a premium or adding the amount thus calculated for each interest payment date after such purchase to the purchase price in the case of an obligation purchased at a discount. Valuation shall be made on each June 15 and December 15, or if such day is not a business day of the Trustee then on the business day of the Trustee immediately preceding such June 15 or December 15, and at any other time required hereunder or under any Supplemental Indenture, and on any particular date shall not include the amount of interest then earned or accrued to such date on any deposit or investment.

Section 307. Transfer of PFC Revenue Fund and PFC Capital Fund to the Trustee.

(a) The provisions of subsections (b) and (c) of this Section shall take effect on the First Lien Defeasance Date if no Priority Obligations are outstanding on the First Lien Defeasance Date.

(b) Upon an Event of Default, the City shall promptly transfer all moneys and securities in the PFC Revenue Fund and the PFC Capital Fund to the Trustee and such Funds shall be thereafter held by the Trustee as part of the Trust Estate.

(c) The City shall promptly transfer all or any portion of moneys and securities in the PFC Revenue Fund or the PFC Capital Fund to the Trustee to be held by the Trustee as part of the Trust Estate if the PFC Act, the PFC Regulations or the PFC Approvals require such Funds to be held by the Trustee. In such event, such Fund or Funds shall be held by the Trustee for such period of time as shall be required by the PFC Act, the PFC Regulations or the PFC Approvals.

ARTICLE IV

Covenants of the City

Section 401. Equality of Security. All Grant Receipts – PFC Obligations, regardless of Series, date of issuance or incurrence and date of sale, shall be secured by the pledge contained in Section 204; and the security so pledged shall not be used for any

other purpose except as expressly permitted by the terms of this Indenture, so long as any Grant Receipts – PFC Obligations remain Outstanding and unpaid.

Section 402. Equality of Grant Receipts – PFC Obligations. Except as otherwise specifically provided in Section 301, all Grant Receipts – PFC Obligations authorized hereunder or incurred as provided in Section 208 and Section 209 shall be on a parity and rank equally without preference, priority or distinction over any other as to security, regardless of the time or times of their issue, and the provisions, covenants and agreements set forth in this Indenture to be performed by and on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all Grant Receipts – PFC Obligations. The City covenants that after the issuance of the Initial Bonds (i) except for the Grant Receipts – PFC Obligations it will not issue any obligations payable from Grant Receipts; (ii) except for Grant Receipts – PFC Obligations and Priority Obligations it will not issue any obligations, payable from the Subordinate Lien PFC Revenues or, except as otherwise provided in Section 405, any other moneys pledged under this Indenture, nor voluntarily create or cause or permit to be created any debt, lien, pledge or assignment (other than the First Lien PFC Obligations, the Priority Obligations, the lien of the First Lien Indenture and the lien of the Priority Obligation Indenture), having priority over or being on a parity with, the Grant Receipts – PFC Obligations.

Section 403. Punctual Payment. The City covenants that it will duly and punctually pay or cause to be paid the principal of, premium, if any, and interest on, all Grant Receipts – PFC Obligations in strict conformity with the terms of such Grant Receipts – PFC Obligation and of this Indenture, the Supplemental Indentures creating the Grant Receipts – PFC Obligations of each Series and the instruments creating Section 208 Obligations or Section 209 Obligations, and that it will faithfully observe and perform all the conditions, covenants and requirements of this Indenture, each such Supplemental Indenture and instrument and of the Grant Receipts – PFC Obligations issued or incurred thereunder.

Section 404. Compliance with PFC Act, PFC Regulations and PFC Approvals. The City covenants that it will comply with all provisions of the PFC Act and the PFC Regulations applicable to the City and all provisions of the PFC Approvals, and that it will not take any action or omit to take any action with respect to the PFC Revenues, the Projects, any Airport or otherwise if such action or omission would, pursuant to the PFC Regulations, cause the termination of the Chy's authority to impose passenger facility charges or prevent the use of the PFC Revenues as contemplated by this Indenture. The City covenants that all moneys in the PFC Revenue Fund and the PFC Capital Fund will be used in compliance with all provisions of the PFC Act and the PFC Regulations applicable to the City and all provisions of the PFC Approvals. Without limiting the generality of the foregoing, the City covenants that, to the extent necessary to comply with the foregoing covenant:

(a) It will diligently seek approval to use PFC Revenues for the Projects within the time periods set forth in the PFC Regulations and will begin implementation of the Projects within the time periods set forth in the PFC Regulations;

(b) it (i) will impose a passenger facility charge to the full extent approved by the FAA for O'Hare, (ii) will not unilaterally decrease the level of the passenger facility charge to be collected from any passenger, (iii) will unilaterally increase the total approved passenger facility charge revenue pursuant to PFC Regulations § 158.37(a) to the extent necessary to pay the debt service on Airport PFC Obligations, and (iv) will apply for an additional increase in total approved passenger facility charge revenue pursuant to PFC Regulations § 158.37(b) to the extent the City projects such increase may be necessary to pay the debt service on Airport PFC Obligations;

(c) it will not impose any noise or access restriction at O'Hare not in compliance with the Airport Noise and Capacity Act of 1990, Pub. L 101-508, Title IX, Subtitle D, if the imposition of such restriction may result in the termination or suspension of the City's authority to impose or use passenger facility charges at O'Hare prior to the charge expiration date or the date total approved passenger facility charge revenue has been collected;

(d) it will take all action reasonably necessary to cause all collecting air carriers to collect and remit to the City all passenger facility charges at O'Hare required by the PFC Regulations to be so collected and remitted;

(e) it will contest any attempt by the FAA to terminate or suspend the City's authority to impose, receive or use passenger facility charges at O'Hare prior to the charge expiration date or the date total approved passenger facility charge revenue has been collected; and

(f) it will use PFC Revenues to ensure that the Plan of Finance Compliance Certificate can be delivered annually as set forth in Section 409.

Section 405. Against Pledge of Revenues. The City shall not hereafter issue any bonds, notes, or other evidences of indebtedness secured by the pledge contained in Section 204, other than the Grant Receipts – PFC Obligations, and shall not create or cause to be created any lien or charge on the Grant Receipts or on PFC Revenues, or on any amounts pledged for the benefit of owners of Grant Receipts – PFC Obligations under this Indenture, other than (i) the pledge of Subordinate Lien PFC Revenues contained in Section 204, (ii) the pledge of PFC Revenues contained in Section 204 of the First Lien PFC Indenture and in the Priority Obligation Indenture; provided, however, that neither this Section nor any other provision of this Indenture shall prevent the City from (a) issuing First Lien PFC Obligations, (b) issuing Priority Obligations to the extent permitted by Section 415, (c) issuing bonds, notes or other evidences of indebtedness

payable out of, or secured by a pledge of, Subordinate Lien PFC Revenues or Grant Receipts to be derived on and after such date as the pledge contained in Section 204 shall be discharged and satisfied as provided in Section 601, or (d) from issuing bonds, notes or other evidences of indebtedness which are payable out of, or secured by, the pledge of amounts which may be withdrawn from the PFC Capital Fund or the Grant Receipts – Subordinated PFC Bond Fund so long as such pledge is expressly junior and subordinate to the pledge contained in Section 204.

Section 406. Offices For Servicing Grant Receipts – PFC Obligations. The City shall at all times maintain one or more agencies, where Grant Receipts – PFC Obligations of any Series may be presented for payment, where Grant Receipts – PFC Obligations of any Series may be presented for registration, registration of transfer or exchange to the extent and in the manner specified in the Supplemental Indenture creating such Series and where notices, demands and other documents may be served upon the City in respect of the Grant Receipts – PFC Obligations of any Series or of this Indenture. The City hereby appoints the Trustee an agent for all such purposes.

Section 407. Annual Audit. The City covenants that it will, comply with any audit requirements of the PFC Regulations applicable to it and any audit requirements of the PFC Approvals (a “*required audit*”). As soon as practicable, the City shall furnish the Trustee with a copy of each required audit. Each such required audit shall be available for inspection at reasonable times by any Owner at the office of the Chief Financial Officer. Each required audit shall either (i) contain a statement of the auditor that the audit complies with PFC Regulations or (ii) be accompanied by a certificate of an Authorized Officer stating that the audit complies with PFC Regulations.

Section 408. Certain Credit Facility Permitted Covenants. In the event that the City issues any Grant Receipts – PFC Obligations secured by a Credit Facility, the City may make reasonable covenants and agreements with the Credit Provider including, but not limited to, covenants and agreements related to the following:

(a) The rate of funding or reimbursement of any debt service reserve requirement;

(b) The use of cash or available investments on deposit in any debt service reserve account to pay debt service before or after payments pursuant to the Credit Facility;

(c) The application and priority of amounts deposited to the credit of any bond fund after payments pursuant to the Credit Facility to reimburse the Credit Provider;

(d) Reasonable advance notice of the need for provision of funds under the Credit Facility;

(e) The status of the Credit Provider as a third party beneficiary of the rights granted under this Indenture or any Supplemental Indenture and its ability to enforce the provisions of this Indenture to the extent such rights may in fact benefit the Credit Provider; and

(f) The amendment of the substantive provisions of this Indenture as subject to the consent of the Credit Provider, but on the condition that such consent not be unreasonably withheld.

Section 409. Plan of Finance Compliance Certificate. The City covenants that it will file with the Trustee, no later than the first day of July of each year, a Plan of Finance Compliance Certificate executed by an Authorized Officer. A copy of each Plan of Finance Compliance Certificate shall be sent by the Trustee to each Rating Agency within a reasonable time after receipt thereof by the Trustee. The City may file a new Plan of Finance Compliance Certificate at any time.

Section 410. Power to Issue Grant Receipts – PFC Obligations and Pledge Grant Receipts and Subordinate Lien PFC Revenues. The City is duly authorized under all applicable laws to issue the Grant Receipts – PFC Obligations, to execute, deliver and perform its obligations under this Indenture and to make the pledges contained in Section 204 in the manner and to the extent provided. Except as otherwise stated in Section 204(c) and Section 405, the Grant Receipts and the Subordinate Lien PFC Revenues and moneys and securities so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereof or with respect thereto prior to, or of equal rank with, the pledge contained in Section 204 and all corporate or other action on the part of the City to that end has been and will be duly and validly taken. The Grant Receipts – PFC Obligations and the provisions of this Indenture are and will be valid and legally enforceable limited obligations of the City in accordance with their terms and the terms of this Indenture. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge contained in Section 204 and all the rights of the owners of the Grant Receipts – PFC Obligations under this Indenture against all claims and demands.

Section 411. Further Assurances. The City covenants that it will make or adopt and execute, or cause to be made, adopted and executed, any and all such further ordinances, acts, deeds, conveyances, assignments or assurances as may be reasonably required for effectuating the intention of this Indenture, and for the better assuring and confirming unto the owners of the Grant Receipts – PFC Obligations of the rights and benefits provided in this Indenture or any Supplemental Indenture.

Section 412. Tax Covenants. The City shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Grant Receipts – PFC Obligation to become subject to federal income taxes in addition to federal income taxes to which interest on such Grant Receipts – PFC

Obligation is subject on the date of its original issuance thereof. The City shall comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

Section 413. Debt Service Reserve Accounts. Any Supplemental Indenture pursuant to which a Series is issued may establish a debt service reserve account and a series reserve account requirement with respect thereto. Any Supplemental Indenture may establish a consolidated debt service reserve account for the benefit and security of more than one Series with a consolidated reserve account requirement. Any such Supplemental Indenture may provide that the reserve account requirement may be satisfied with (i) one or more Qualified Reserve Account Credit Instruments, (ii) Qualified Investments or (iii) a combination thereof. For purposes of this Section, the term "*Qualified Reserve Account Instrument*" means a letter of credit, surety bond or non-cancelable insurance policy issued by a domestic or foreign bank, insurance company or other financial institution whose debt obligations are rated "*Aa*" or better by Moody's Investors Service, Inc. or "*AA*" or better by Standard & Poor's Ratings Service as of the date of issuance thereof. Any such letter of credit, surety bond or insurance policy shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the debt service reserve account may be used.

Section 414. Grant Letters of Intent and Grant Agreements. The City shall comply with all of the provisions of each Grant Letter of Intent and Grant Agreement so as to preserve at all times its right to receive Grant Receipts. The City shall file promptly with the Trustee a copy of each Grant Letter of Intent and Grant Agreement and each amendment thereof or supplement thereto. The City shall not unilaterally terminate, or enter any agreement to terminate, any Grant Letter of Intent or Grant Agreement. The City will promptly request any payment for costs or any reimbursement for costs to which the City is entitled under any Grant Letter of Credit or Grant Agreement. The City will promptly pay over to the Trustee all Grant Receipts for application in accordance with this Indenture.

Section 415. Right to Issue Priority Obligations. (a) The City reserves the right to issue Priority Obligations upon satisfaction of the requirements of this Section.

(b) Prior to or concurrently with the issuance of a Priority Obligation the City shall file with the Trustee a certified copy of all proceedings taken by the City to authorize and issue such Priority Obligation, including an executed counterpart of the Priority Obligation Indenture and each Priority Obligation Supplemental Indenture, together with a schedule of required deposits that the City will be obligated to make under the terms of the Priority Obligation, the Priority Obligation Indenture and the Priority Obligation Supplemental Indenture.

(c) As a condition precedent to the issuance of any Priority Obligation, the City shall file with the Trustee, not more than five days prior to the date of issuance or the effective date of such Priority Obligation, a Certificate stating that (i) Available Revenues (adjusted as herein provided) received either (A) during the last completed fiscal year of the City or (B) for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the date of issuance of such Priority Obligation, were at least equal to _____% of Maximum Annual Debt Service as of the time immediately following the issuance of such Priority Obligation; or (ii) a report of an Independent Airport Consultant estimating Net PFC Revenues and Grant Receipts for a forecast period of not less than three consecutive calendar years commencing with the calendar year next following the date of issuance of such Priority Obligation and projecting that the estimated Available Revenues for each year of the forecast period will be at least equal to _____% of Maximum Annual Debt Service as of the time immediately following the issuance of such Priority Obligation, or (iii) in the case of a Priority Obligation issued to finance a Project that in the opinion of an Independent Airport Consultant is expected to result in a material increase in the capacity of O'Hare, a report of an Independent Airport Consultant estimating Net PFC Revenues and Grant Receipts for a forecast period of not less than three consecutive calendar years commencing with the calendar year next following the earlier of (A) the fifth anniversary of the date of issuance of such Priority Obligation or (B) the date the Independent Airport Consultant estimates that the capacity enhancing Project financed by such Priority Obligation will be completed, or if there is more than one such Project, the Project scheduled to be the last completed, and projecting that the estimated Net PFC Revenues and Grant Receipts for each year of the forecast period will be at least equal to _____% of Maximum Annual Debt Service as of the time immediately following the issuance of such Priority Obligation. In any computation of any test under clause (i) of this subsection as to whether or not a Priority Obligation may be issued, the amount of the PFC Revenues for the computation period shall be decreased by the amount of any loss, and may be increased by the amount of any gain, conservatively estimated by an Authorized Officer, which loss or gain results from any change in the rate of the levy of passenger facility charges constituting a part of the PFC Revenues, which change took effect during the computation period or thereafter prior to the issuance of such Priority Obligation (or will take effect after the issuance of such Priority Obligation to the extent legislation has been enacted to permit an increase in passenger facility charges and the City has taken all action required to impose such charges at O'Hare pursuant to such legislation), as if such modified rate shall have been in effect during the entire computation period. In any computation of any test under clause (ii) or clause (iii) of this subsection as to whether or not a Priority Obligation may be issued, the Independent Airport Consultant shall assume that (a) the rate of the levy of passenger facility charges constituting a part of PFC Revenues in effect on the date of issuance of such Priority Obligation will be in effect for the entire forecast period, provided that the Independent Airport Consultant may assume a higher rate to the extent legislation has been enacted to permit an increase in passenger facility charges and the City has taken all action required to impose such increased

charges at O'Hare pursuant to such legislation and (b) the percentage of enplaned passengers subject to passenger facility charges during the forecast period will not exceed the average percentage during the three calendar years immediately preceding the year the report of the Independent Airport Consultant is issued. In any computation of any test under clause (iii) of this subsection as to whether or not a Priority Obligation may be issued, the Independent Airport Consultant, in projecting future enplanements at O'Hare following the completion of the capacity enhancing Project, may assume that enplanements will increase at the average rate of growth experienced in the prior three consecutive calendar years, plus an additional increase of not more than four percent in any one calendar year, and not more than ten percent in the three consecutive calendar years next following the date of completion of the Project.

(d) No Priority Obligation may contain a term or provision permitting an acceleration of the scheduled payment of the Principal Installment of or interest on such Priority Obligation.

ARTICLE V

Administration of O'Hare

Section 501. Management. The City will not take any action which would cause the Administrator of the FAA, or any successor to the powers and authority of such Administrator, to suspend or revoke the O'Hare airport operating certificate issued under the Federal Aviation Act of 1958, or any successor statute. The City will comply with all valid acts, including the acts, rules, regulations, orders and directives of any governmental, legislative, executive, administrative or judicial body applicable to O'Hare, unless the same shall be contested in good faith, all to the end that O'Hare will remain operational at all times.

Section 502. Operation of O'Hare. The City covenants that it will at all times use reasonable efforts to keep O'Hare open for landings and takeoffs of aircraft of any type using facilities similar to those at O'Hare and to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Grant Receipts – PFC Obligations or the performance or observance of any of the covenants contained in this Indenture or any Supplemental Indenture.

ARTICLE VI

Defeasance

Section 601. Defeasance.

(a) If the City shall pay or cause to be paid to the owners of all Grant Receipts – PFC Obligations, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein, in this Indenture, the Supplemental Indentures creating such Grant Receipts – PFC Obligations and the instruments creating Section 208 Obligations and Section 209 Obligations, then the pledge contained in Section 204 and all other rights granted hereby shall be discharged and satisfied, in such event, the Trustee shall, upon the request of the City expressed in a Certificate, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the City all Accounts, Funds and other moneys or securities held by them pursuant to this Indenture and such Supplemental Indentures which are not required for the payment or redemption of Grant Receipts – PFC Obligations not theretofore surrendered for such payment or redemption.

(b) Any Grant Receipts – PFC Obligations or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Grant Receipts – PFC Obligations, shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if (i) in case any such Grant Receipts – PFC Obligations are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Grant Receipts – PFC Obligations for redemption and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, (ii) there shall have been deposited with the Trustee by or on behalf of the City either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due (without reinvestment thereof) will provide moneys which, together with the moneys, if any, on deposit with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Grant Receipts – PFC Obligations on and prior to the redemption date or maturity date thereof, as the case may be and (iii) in the event said Grant Receipts – PFC Obligations are not by their terms subject to redemption within the next succeeding 45 days, the City shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail, as soon as practicable, a notice to the owners of such Grant Receipts – PFC Obligations that the deposit required by clause (ii) above has been made with the Trustee and that said Grant Receipts – PFC Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of, and accrued interest on, said Grant Receipts – PFC Obligations. Except as provided in subsection (c) of this Section, neither the Defeasance

Obligations or any moneys so deposited with the Trustee nor any moneys received by the Trustee on account of principal of or interest on said Defeasance Obligations shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal or Redemption Price of the Grant Receipts – PFC Obligations for the payment or redemption of which they were deposited and the interest accrued thereon to the date of maturity or redemption.

(c) No defeasance of a Grant Receipts – PFC Obligation that is to be paid more than 90 days after the date of the deposit referred to in clause (ii) of subsection (b) of this Section shall be effective until the Trustee shall have received a verification report signed by an Independent Accountant that the Defeasance Obligations and moneys to be deposited for such purpose are sufficient to pay the principal and Redemption Price of, and interest on, all Grant Receipts – PFC Obligations with respect to which provision for payment is to be made pursuant to this Section by virtue of the deposit of such Defeasance Obligations and moneys.

(d) In the event that the principal of and interest on any Insured Obligation shall be paid by the Bond Insurer pursuant to the terms of the Bond Insurance Policy for such Insured Obligation, such Insured Obligation shall remain Outstanding for all purposes, shall not be deemed to be defeased or otherwise satisfied and not considered paid by the City, and the pledge and assignment of the Trust Estate and all other covenants, agreements and other obligations of the City to the owner of such Insured Obligation shall continue to exist and the Bond Insurer shall be fully subrogated to the rights of such owner.

(e) Defeasance Obligations and moneys held pursuant to this Section may be withdrawn by the City provided that there is substituted in place of such Defeasance Obligations and moneys other Defeasance Obligations and moneys sufficient for the purposes of this Section and, provided further that, prior to such substitution there is filed with the Trustee (i) a verification report signed by an Independent Accountant that the Defeasance Obligations and moneys, as substituted, are sufficient to pay the principal and Redemption Price of, and interest on, all Grant Receipts – PFC Obligations with respect to which provision for payment was made by deposit of such substituted Defeasance Obligations pursuant to the provisions of this Section and (ii) an opinion of Bond Counsel to the effect that such substitution has been duly authorized in accordance with this Indenture and will not effect adversely the tax-exempt status of any Grant Receipts – PFC Obligations previously authenticated and delivered under this Indenture.

Section 602. Funds Held for Particular Grant Receipts – PFC Obligations.

(a) The amounts held by the Trustee for the payment of the interest, principal or Redemption Price or accrued interest due on any date with respect to particular Grant Receipts – PFC Obligations shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Grant Receipts – PFC

Obligations entitled thereto and for the purposes of this Indenture, such interest, principal or Redemption Price, after the due date thereof, shall no longer be considered to be unpaid.

(b) If, through the deposit of moneys by the City or otherwise, the Trustee shall hold, pursuant to this Indenture, moneys sufficient to pay the principal and interest to maturity on all Outstanding Grant Receipts – PFC Obligations, or in the case of Grant Receipts – PFC Obligations in respect of which the City shall have taken all action necessary to redeem prior to maturity, sufficient to pay the Redemption Price and interest to such redemption date, then at the request of the City all moneys held by the Trustee, shall be held for the payment or redemption of Outstanding Grant Receipts – PFC Obligations.

(c) Unless otherwise specified in any Supplemental Indenture securing Grant Receipts – PFC Obligations, any moneys held by the Trustee in trust for the payment and discharge of any of the Grant Receipts – PFC Obligations which remain unclaimed for six years after the date when all of the Grant Receipts – PFC Obligations have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for six years after the date of deposit of such moneys if deposited with the Trustee after the said date when all of the Grant Receipts – PFC Obligations became due and payable, shall, at the written request of the City, be repaid by the Trustee to the City, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged.

ARTICLE VII

Supplemental Indentures

Section 701. Supplemental Indenture Effective Upon Execution by the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council, which, upon the filing with the Trustee of a copy of such ordinance certified by the City Clerk and the execution and delivery of such Supplemental Indenture by the City and the Trustee, shall be fully effective in accordance with its terms:

(a) to close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the issuance of Grant Receipts – PFC Obligations or other evidences of indebtedness;

(b) to add to the covenants and agreements of the City in this Indenture other covenants and agreements to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) to add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) to surrender any right, power or privilege reserved to or conferred upon the City by the terms of this Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the City contained in this Indenture;

(e) to create a Series of Grant Receipts – PFC Obligations and, in connection therewith, to specify and determine the matters and things referred to in Article II and also any other matters and things relative to such Grant Receipts – PFC Obligations which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance of such Grant Receipts – PFC Obligations;

(f) to include as part of the pledge under Section 204 revenue received by the City from passenger facility charges imposed by the City at one or more of the Airports other than O'Hare (the "*Other Airport PFC Revenues*") and in connection therewith to amend this Indenture to include the Other Airport PFC Revenues in the same manner as PFC Revenues for the purposes of any computational tests under this Indenture, including those under Section 206, Section 207, Section 409 and Section 415;

(g) to confirm, as further assurance, the pledge under Section 204, and the subjection of, additional properties, grants, PFC Revenues or other collateral to any lien, claim or pledge created or to be created by, this Indenture; and

(h) to modify any of the provisions of this Indenture in any respect whatever, provided that such modification shall be, and be expressed to be, effective only after all Grant Receipts – PFC Obligations Outstanding at the date of the execution and delivery of such Supplemental Indenture shall cease to be Outstanding.

Section 702. Supplemental Indentures Effective Upon Consent of Trustee.

(a) For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council which, upon (i) the filing with the Trustee of a copy of such ordinance certified by the City Clerk, (ii) the filing with the Trustee and the City of an instrument in writing made by the Trustee consenting thereto, and (iii) the execution and delivery of such Supplemental Indenture by the City and the Trustee, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture; or

(2) To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(3) To make any change that does not materially adversely affect the rights of any Owner of Grant Receipts – PFC Obligations; or

(4) To provide additional duties of the Trustee under this Indenture.

(b) Any such Supplemental Indenture may also contain one or more of the purposes specified in Section 701, and in that event, the consent of the Trustee required by this Section shall be applicable only to those provisions of such Supplemental Indenture as shall contain one or more of the purposes set forth in subsection (a) of this Section.

Section 703. Supplemental Indentures Effective With Consent of Owners of Grant Receipts – PFC Obligations. At any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council, subject to consent by the owners of Grant Receipts – PFC Obligations in accordance with and subject to the provisions of Article VIII, which Supplemental Indenture, upon the filing with the Trustee of a copy of such ordinance certified by the City Clerk, upon compliance with the provisions of Article VIII, and upon execution and delivery of such Supplemental Indenture by the City and the Trustee, shall become fully effective in accordance with its terms.

Section 704. General Provisions.

(a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and Article VIII. Nothing in this Article or Article VIII contained shall affect or limit the right or obligation of the City to adopt, make, do, execute, acknowledge or deliver any ordinance, resolution, act or other instrument pursuant to the provisions of Section 411 or the right or obligation of the City to execute and deliver to the Trustee any instrument which elsewhere in this Indenture it is provided shall be delivered to the Trustee.

(b) Any ordinance authorizing a Supplemental Indenture referred to and permitted or authorized by Sections 701 and 702 may be adopted by the City Council without the consent of any of the owners of Grant Receipts – PFC Obligations, but such Supplemental Indenture shall be executed and delivered by the City and the Trustee and shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. Every Supplemental Indenture delivered to the Trustee for execution shall be accompanied by a Counsel's Opinion stating that such Supplemental

Indenture has been duly and lawfully authorized by the City Council and executed by the City in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and will, when executed and delivered by the Trustee, be valid and binding upon the City and enforceable in accordance with its terms.

(c) The Trustee is hereby authorized to enter into, execute and deliver any Supplemental Indenture referred to and permitted or authorized by Sections 701, 702 or 703 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on, an opinion of counsel (which may be a Counsel's opinion) that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

(e) Any Supplemental Indenture executed and delivered pursuant to Section 702 or Article VIII shall not take effect until the written consent to such modification or amendment of each Bond Insurer of an Outstanding Insured Obligation and of each Credit Provider shall have been filed with the Trustee.

ARTICLE VIII

Amendments

Section 801. Mailing of Notice of Amendment. Any provision in this Article for the mailing of a notice or other paper to owners of Grant Receipts – PFC Obligations shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of then Outstanding Grant Receipts – PFC Obligations at the address, if any, of such owner appearing upon the registration books maintained by the City at the principal office of the Trustee or, in the case of Section 208 Obligations, set forth in the instrument creating the same, (ii) to each Bond Insurer, (iii) to each Credit Provider, and (iv) to the Trustee.

Section 802. Powers of Amendment. (a) Any modification or amendment of this Indenture or of any Supplemental Indenture or of the rights and obligations of the City and of the owners of the Grant Receipts – PFC Obligations, in particular, may be made by a Supplemental Indenture, with the written consent given as provided in Section 803, (i) of the owners of a majority in principal amount of the Grant Receipts – PFC Obligations Outstanding at the time such consent is given, (ii) in case less than all of the several Series of then Outstanding Grant Receipts – PFC Obligations are affected by the modification or amendment, of the owners of a majority in principal amount of the then Outstanding Grant Receipts – PFC Obligations of each Series so affected, (iii) in case any Section 208 Obligations are affected by the modification or amendment, of the owners of the Section 208 Obligations so affected, (iv) in case any Swap Provider is affected by the

modification or amendment, of the Swap Provider so affected; except that if such modification or amendment will, by its terms, not take effect so long as any Grant Receipts – PFC Obligations of any specified Series and maturity or any specified Section 208 Obligations or Section 209 Obligations remain Outstanding, the consent of the owners of such Grant Receipts – PFC Obligations shall not be required and such Grant Receipts – PFC Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Grant Receipts – PFC Obligations under this Section.

(b) No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Grant Receipts – PFC Obligation or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or in terms of purchase or the purchase price thereof, without the consent of the owner of such Grant Receipts – PFC Obligation, or shall reduce the percentages or otherwise affect the classes of Grant Receipts – PFC Obligations the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

(c) For the purposes of this Section, a Series or any specified Section 208 Obligations or Section 209 Obligations shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the owners of Grant Receipts – PFC Obligations of such Series or of such Section 208 Obligations or Section 209 Obligations.

Section 803. Consent of Owners of Grant Receipts – PFC Obligations.

(a) The City may at any time authorize a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 802, to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to the owners of the Grant Receipts – PFC Obligations for their consent thereto in form satisfactory to the Trustee, shall be mailed by the City to the owners of the Grant Receipts – PFC Obligations (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when, (a) there shall have been filed with the Trustee (1) the written consents of owners of the percentages of Outstanding Grant Receipts – PFC Obligations specified in Section 802 and (2) a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully executed and delivered by the City and the Trustee in accordance with the provisions of this Indenture, is authorized or permitted hereby and is valid and binding upon the City and enforceable in accordance with its terms upon its becoming effective as in this Section provided, and (b) a notice shall have been mailed as hereinafter in this Section provided.

(b) The consent of an owner of Grant Receipts – PFC Obligations to any modification or amendment shall be effective only if accompanied by proof of the ownership, at the date of such consent, of the Grant Receipts – PFC Obligations with respect to which such consent is given, which proof shall be such as is permitted by Section 1013. A certificate or certificates signed by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 1013 shall be conclusive that the consents have been given by the owners of the Grant Receipts – PFC Obligations described in such certificate or certificates. Any such consent shall be binding upon the owner of the Grant Receipts – PFC Obligations giving such consent and upon any subsequent owner of such Grant Receipts – PFC Obligations and of any Grant Receipts – PFC Obligations issued in exchange therefor (whether or not such subsequent owner thereof has notice thereof) unless such consent is revoked in writing by the owner of such Grant Receipts – PFC Obligations giving such consent or a subsequent owner thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee.

(c) At any time after the owners of the required percentages of Grant Receipts – PFC Obligations shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the City and the Trustee a written statement that the owners of such required percentages of Grant Receipts – PFC Obligations have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the City and the Trustee as of a stated date, a copy of which is on file with the Trustee) has been consented to by the owners of the required percentages of Grant Receipts – PFC Obligations and will be effective as provided in this Section, shall be given by the City by mailing such notice to the owners of the Grant Receipts – PFC Obligations, each Credit Provider and each Bond Insurer (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section). The City shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Trustee, each Credit Provider, each Bond Insurer and the owners of all Grant Receipts – PFC Obligations at the expiration of 40 days after the filing with the Trustee of proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 40 day period; except that the Trustee and the City, during such 40 day period and any such further period during which any such action or proceeding may be pending, shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 804. Modifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the City and of the owners of the Grant Receipts – PFC Obligations under this Indenture may be modified or amended in any respect upon the consent of the owners of all the then Outstanding Grant Receipts – PFC Obligations to the execution and delivery of such Supplemental Indenture, such consent to be given as provided in Section 803 except that no notice to the owners of the Grant Receipts – PFC Obligations shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

Section 805. Exclusion of Grant Receipts – PFC Obligations. Grant Receipts – PFC Obligations owned by or for the account of the City shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Grant Receipts – PFC Obligations provided for in this Article, and the City shall not be entitled with respect to such Grant Receipts – PFC Obligations to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the City shall furnish the Trustee with a Certificate upon which the Trustee may rely, describing all Grant Receipts – PFC Obligations so to be excluded.

Section 806. Notation on Grant Receipts – PFC Obligations. Grant Receipts – PFC Obligations authenticated and delivered after the effective date of any action taken as in Article VII or this Article provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the City and the Trustee as to such action, and in that case upon demand of the owner of any Grant Receipts – PFC Obligation Outstanding at such effective date and presentation of his Grant Receipts – PFC Obligation for that purpose at the principal office of the Trustee or upon any exchange or registration of transfer of any Grant Receipts – PFC Obligation Outstanding at such effective date, suitable notation shall be made on such Grant Receipts – PFC Obligation or upon any Grant Receipts – PFC Obligation issued upon any such exchange or registration of transfer by the Trustee as to any such action. If the City or the Trustee shall so determine, new Grant Receipts – PFC Obligations so modified as in the opinion of the Trustee and the City to conform to such action shall be prepared, authenticated and delivered, and upon demand of the owner of any Grant Receipts – PFC Obligation then Outstanding shall be exchanged, without cost to such owner, for Grant Receipts – PFC Obligations of the same Series and maturity upon surrender of such Grant Receipts – PFC Obligation.

ARTICLE IX

Default and Remedies

Section **901.** **Event of Default.** Each of the following events of default is hereby declared an “*Event of Default*:”

(a) payment of the principal or Redemption Price, if any, of any Grant Receipts – PFC Obligation shall not be made when and as the same shall become due, whether at maturity or upon call for redemption or otherwise;

(b) payment of any installment of interest on any Grant Receipts – PFC Obligation shall not be made when the same shall become due;

(c) the City shall fail or refuse to comply with the provisions of this Indenture, or shall default in the performance or observance of any the covenants, agreements or conditions on its part contained herein or the Grant Receipts – PFC Obligations, which materially affects the rights of the owners of the Grant Receipts – PFC Obligations and such failure, refusal or default shall continue for a period of 45 days after written notice thereof by the Trustee or the owners of not less than 25 percent in principal amount of the Outstanding Grant Receipts – PFC Obligations; provided, however, that in the case of any such default which can be cured by due diligence but which cannot be cured within the 45 day period, the time to cure shall be extended for such period as may be necessary to remedy the default with all due diligence; or

(d) an event of default shall occur and be continuing under the provisions of any Supplemental Indenture.

Section **902.** **Remedies.**

(a) Upon the happening and continuance of any Event of Default specified in subsection (a) or (b) of Section 901, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in subsection (c) or (d) of Section 901 (and as specified in any Supplemental Indenture with respect to additional events of default described thereunder), the Trustee may proceed, and upon the written request of the owners of not less than 25 percent in principal amount of the Outstanding Grant Receipts – PFC Obligations, shall proceed, in its own name, subject to the provisions of this Section, to protect and enforce its rights and the rights of the owners of the Grant Receipts – PFC Obligations by such of the following remedies or any additional remedies specified in one or more Supplemental Indentures with respect to a particular Series as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the owners of the Grant Receipts – PFC Obligations including the right to require the City to comply with Section 404 and Section 414 and to require the City to carry out any other covenant or agreement with the owners of the Grant Receipts – PFC Obligations and to perform its duties under this Indenture;

(ii) by bringing suit upon the Grant Receipts – PFC Obligations;

(iii) by action or suit in equity, require the City to account as if its were the trustee of any express trust for the owners of the Grant Receipts – PFC Obligations; or

(iv) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Grant Receipts – PFC Obligations.

(b) In the enforcement of any rights and remedies under this Indenture, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City but only out of moneys pledged as security for the Grant Receipts – PFC Obligations for principal, Redemption Price, interest or otherwise, under any provision of this Indenture or any Supplemental Indenture or of the Grant Receipts – PFC Obligations, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Grant Receipts – PFC Obligations, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Grant Receipts – PFC Obligations without prejudice to any other right or remedy of the Trustee or of the owners of the Grant Receipts – PFC Obligations, and to recover and enforce a judgment or decree against the City for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available under this Indenture for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 903. Priority of Payments After Default.

(a) In the event that upon the happening and continuance of any Event of Default, the moneys held by the Trustee shall be insufficient for the payment of principal or Redemption Price, if any, and interest then due on the Grant Receipts – PFC Obligations, such moneys (other than moneys held for the payment or redemption of particular Grant Receipts – PFC Obligations which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to this Article, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the owners of the Grant Receipts – PFC Obligations and for the payment of the fees, charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under this Indenture, shall, except as otherwise provided with respect to moneys

held for the exclusive benefit of Grant Receipts – PFC Obligations of a particular Series or particular Section 208 Obligations or Section 209 Obligations under the provisions of a Supplemental Indenture, be applied as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Grant Receipts – PFC Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates with interest on such Grant Receipts – PFC Obligations from the respective dates upon which such principal or Redemption Price became due at the rate borne by the Grant Receipts – PFC Obligations and, if the amounts available shall not be sufficient to pay in full all the Grant Receipts – PFC Obligations due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with the Trustee, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee and the Trustee shall incur no liability whatsoever to the City, to the owner of any Grant Receipts – PFC Obligation or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the owner of any unpaid Grant Receipts – PFC Obligation unless such Grant Receipts – PFC Obligation shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 904. Termination of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or

abandoned for any reason, then in every such case the City, the Trustee and the owners of the Grant Receipts – PFC Obligations shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 905. Direction of Proceedings by Owners. The owners of the majority in principal amount of the Grant Receipts – PFC Obligations then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, except that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to owners of the Grant Receipts – PFC Obligations not parties to such direction and further provided that the Trustee shall have been offered indemnity as provided in Section 906(a).

Section 906. Limitation on Rights of Owners.

(a) No owner of any Grant Receipts – PFC Obligation shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law under this Indenture, or for the protection or enforcement of any right or remedy under this Indenture or any right under law unless such owner shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 25 percent in principal amount of the Grant Receipts – PFC Obligations then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case (except with respect to the enforcement of any Credit Facility securing Grant Receipts – PFC Obligations), at the option of the Trustee, to be conditions precedent to the execution of the powers under this Indenture or for any other remedy under this Indenture or under law. It is understood and intended that no one or more Owners of the Grant Receipts – PFC Obligations hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right under this Indenture or under law with respect to the Grant Receipts – PFC Obligations or this Indenture, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all owners of the Outstanding Grant Receipts – PFC Obligations.

(b) Each owner of any Grant Receipts – PFC Obligation by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any owner of any Grant Receipts – PFC Obligation, or group of such owners, holding at least 25% in principal amount of the Grant Receipts – PFC Obligations Outstanding, or to any suit instituted by the owner of any suit instituted by the owner of any Grant Receipts – PFC Obligation for the enforcement of the payment of the principal or Redemption Price of or interest on any Grant Receipts – PFC Obligation on or after the respective due date thereof expressed in such Grant Receipts – PFC Obligation.

(c) Any owner of an Outstanding Insured Obligation may exercise rights under subsection (a) of this Section only upon the written consent of the Bond Insurer of such Insured Obligation, provided that such consent shall not be required (1) if the rights of such Bond Insurer have ceased and terminated as provided in subsection (a) of Section 1102 or (2) for such owner to exercise rights for the enforcement of the tax covenants contained in Section 412 or in any Supplemental Indenture.

Section 907. Possession of Grant Receipts – PFC Obligations by Trustee Not Required. All rights of action under this Indenture or under any of the Grant Receipts – PFC Obligations enforceable by the Trustee may be enforced by it without the possession of any of the Grant Receipts – PFC Obligations or the production of any Grant Receipts – PFC Obligations at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the owners of such Grant Receipts – PFC Obligations, subject to the provisions of this Indenture.

Nothing in this Article contained shall affect or impair the right of the owner of any Grant Receipts – PFC Obligation to enforce the payment of the principal or Redemption Price, if any, of and interest on his Grant Receipts – PFC Obligation or the obligation of the City to pay the principal or Redemption Price, if any, of and interest on each Grant Receipts – PFC Obligation issued under this Indenture to the owner thereof at the time and place in said Grant Receipts – PFC Obligation, if any, expressed.

Section 908. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the owners of the Grant Receipts – PFC Obligations by this Indenture is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 909. Waiver of Past Default. No delay or omission by the Trustee or by the owner of any Grant Receipts – PFC Obligation to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein and every power and remedy given by this Indenture to the Trustee and the owners of the Grant Receipts – PFC Obligations, respectively, may be exercised from time to time and as often as may be deemed expedient.

Should there occur an Event of Default under this Indenture resulting from a violation by the City of its covenants set forth in Section 404 and Section 414 and such default is cured, such default shall be deemed cured under this Indenture.

Section 910. Notice to Owners. The Trustee shall give to the owners of the Grant Receipts – PFC Obligations notice of each Event of Default under this Indenture known to the Trustee within 90 days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured or necessary moneys provided before the giving of such notice; but, except in the case of default in the payment of the principal or Redemption Price, if any, of or interest on any of the Grant Receipts – PFC Obligations, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the owners of the Grant Receipts – PFC Obligations. Each such notice shall be given by the Trustee by mailing written notice thereof: (a) to all registered owners of the Grant Receipts – PFC Obligations as the names and addresses of such owners appear upon the books for registration and transfer of Grant Receipts – PFC Obligations as kept by the Trustee or, in the case of Section 208 Obligations or Section 209 Obligations, as set forth in the instrument creating the same, (b) to each Credit Provider, (c) to each Bond Insurer, and (d) to such other persons as is required by law.

ARTICLE X

Concerning the Trustee

Section 1001. Qualification of Trustee. The Trustee hereunder shall be a bank, trust company or national banking association having the powers of a trust company doing business and having an office in the City of Chicago, Illinois.

Section 1002. Responsibilities of Trustee.

(a) The recitals of fact herein and in the Grant Receipts – PFC Obligations contained shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or any Supplemental Indenture or of any Grant Receipts – PFC Obligations issued thereunder or in respect of the security afforded

by this Indenture or any Supplemental Indenture, and the Trustee shall not incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Grant Receipts – PFC Obligations. The Trustee shall not be under any responsibility or duty with respect to the issuance of the Grant Receipts – PFC Obligations for value or the application of the proceeds thereof except to the extent such proceeds are paid to the Trustee in its capacity as Trustee, or the application of any moneys paid to the City or others in accordance with this Indenture or any Supplemental Indenture. The Trustee shall not be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any action or suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection (b) of this Section, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(b) The Trustee, prior to the occurrence of an Event of Default and after the remedy of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and each Supplemental Indenture. In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by law, this Indenture and each Supplemental Indenture, and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of this Indenture and any Supplemental Indenture relating to action taken or so to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

(c) Except upon the happening of an Event of Default under Section 901(a) or Section 901(b), the Trustee shall not be deemed to have notice of any default hereunder unless it has received written notice thereof from (i) the City, (ii) the owners of not less than 25 percent in principal amount of the then Outstanding Grant Receipts – PFC Obligations, (iii) with respect to defaults under Section 404 or Section 414, the FAA or (iv) the Trustee has actual knowledge of such default.

Section 1003. Funds Held in Trust and Security Therefor. All moneys held by the Trustee, as such, at any time pursuant to the terms of this Indenture or any Supplemental Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and upon the terms and conditions of this Indenture or such Supplemental Indenture. Subject to the provisions of Section 306, all moneys (not including securities) held by the Trustee, as such, may be deposited by the Trustee in its banking department, or with such other banks, trust companies, or national banking associations, as may be designated by the City and approved by the Trustee. No such funds shall be deposited with any bank, trust company or national banking association, other than the Trustee, in an amount exceeding 25 percent of the amount which an officer of such bank, trust company or national banking association shall certify to the Trustee

and the City as the combined capital, surplus and undivided profits of such bank, trust company or national banking association. No such funds shall be deposited or remain on deposit with any bank, trust company or national banking association in excess of the amount insured by the Federal Deposit Insurance Corporation, unless (a) such bank, trust company or national banking association shall have deposited in trust with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the Trustee and the City, pledged to some other bank, trust company or national banking association, for the benefit of the City and the appropriate Fund, Account, sub-fund or sub-account, as collateral security for the moneys deposited, Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to 110% of the amount of such moneys, or (b) in lieu of such collateral security as to all or any part of such moneys, there shall have been deposited in trust with the trust department of the Trustee, for the benefit of the City and the appropriate Fund, Account, sub-fund or sub-account, and remain in full force and effect as security for such moneys or part thereof, the indemnifying bond or bonds of a surety company or companies qualified as surety for deposits of funds of the United States of America and qualified to transact business in the State of Illinois in a sum at least equal to the amount of such moneys or part thereof. The Trustee shall allow and credit interest on any such moneys held by it at such rate as it customarily allows upon similar moneys of similar size and under similar conditions or as required by law. Interest in respect of moneys or on securities in any Fund, Account, sub-fund or sub-account shall be credited in each case to the Fund, Account, sub-fund or sub-account in which such moneys or securities are held.

Section 1004. Evidence on which Trustee May Act. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be of counsel to the City, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including payment of moneys out of any Fund or Account, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein or therein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof or thereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by an Authorized Officer.

Section 1005. Compensation and Expenses. The City shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture or any Supplemental Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees incurred in and about the performance of their powers and duties under this Indenture or any Supplemental Indenture, and, except as provided in any Supplemental Indenture, the Trustee shall have a lien therefor on any and all moneys at any time held by it under this Indenture or any Supplemental Indenture. The City further agrees to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, which are not due to its negligence or default.

Section 1006. Permitted Acts and Functions. The Trustee may become the owner of any Grant Receipts – PFC Obligations, with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the owners of Grant Receipts – PFC Obligations or to effect or aid in any reorganization growing out of the enforcement of the Grant Receipts – PFC Obligations or this Indenture or any Supplemental Indenture, whether or not any such committee shall represent the owners of a majority in principal amount of the Grant Receipts – PFC Obligations then Outstanding.

Section 1007. Resignation. The Trustee may at any time resign and be discharged of its duties and obligations created by this Indenture by giving not fewer than 60 days' written notice to the City and mailing notice thereof, to each Bond Insurer, to each Credit Provider and to the owners of Grant Receipts – PFC Obligations at their addresses shown on the registration books kept by the Trustee within 20 days after the giving of such written notice. Such resignation shall take effect upon the appointment of a successor by the City or the owners of Grant Receipts – PFC Obligations as provided in Section 1009.

Section 1008. Removal. The Trustee may be removed at any time by the owners of a majority in principal amount of the Grant Receipts – PFC Obligations then Outstanding, excluding any Grant Receipts – PFC Obligations held by or for the account of the City, by an instrument or concurrent instruments in writing signed and duly acknowledged by such owners of Grant Receipts – PFC Obligations or by their attorneys duly authorized in writing and delivered to the City. Copies of each such instrument shall be delivered by the City to each Bond Insurer, to each Credit Provider and to the Trustee and any successor. The City may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the City by filing with the Trustee an instrument signed by an Authorized Officer and by mailing notice thereof to each Bond Insurer, to each Credit Provider and to the owners of Grant Receipts – PFC Obligations at their addresses shown on the

registration books kept by the Trustee. Any removal of the Trustee shall take effect upon the appointment of a successor Trustee.

Section 1009. Appointment of Successor. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the owners of a majority in principal amount of the Grant Receipts – PFC Obligations then Outstanding, excluding any Grant Receipts – PFC Obligations held by or for the account of the City, by an instrument or concurrent instruments in writing signed by such owners or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the City, each Bond Insurer, each Credit Provider and the predecessor Trustee. Pending such appointment, the City shall forthwith appoint a Trustee to till such vacancy until a successor Trustee (if any) shall be appointed by the owners of Grant Receipts – PFC Obligations as herein authorized. The City shall mail notice to each Bond Insurer, to each Credit Provider and to owners of Grant Receipts – PFC Obligations of any such appointment within 20 days after such appointment. Any successor Trustee appointed by the City shall, immediately and without further act, be superseded by a Trustee appointed by the owners of Grant Receipts – PFC Obligations. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the City written notice of resignation as provided in Section 1007 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee, any Bond Insurer, any Credit Provider or any owner of Grant Receipts – PFC Obligations may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Trustee. Any Trustee appointed under the provisions of this Section shall be a bank, trust company or national banking association, doing business and having an office in the City of Chicago, Illinois.

Section 1010. Transfer of Rights and Property to Successor. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the City, a written instrument of acceptance respecting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the request of the City, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein

set forth. Should any deed, conveyance or instrument in writing from the City be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the City.

Section 1011. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank, trust company or national banking association which is qualified to be a successor to the Trustee under Section 1009 and shall be authorized by law to perform all the duties imposed upon it by this Indenture and any Supplemental Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

Section 1012. Adoption of Authentication. In case any of the Grant Receipts – PFC Obligations contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Grant Receipts – PFC Obligations and deliver such Grant Receipts – PFC Obligations so authenticated, and in case any of the said Grant Receipts – PFC Obligations shall not have been authenticated, any successor Trustee may authenticate such Grant Receipts – PFC Obligations in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Grant Receipts – PFC Obligations or in this Indenture provided that the certificate of the Trustee shall have.

Section 1013. Evidence of Signatures of Owners and Ownership of Grant Receipts – PFC Obligations. (a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the owners of Grant Receipts – PFC Obligations may be in one or more instruments of similar tenor, and shall be signed or executed by such owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Grant Receipts – PFC Obligations, shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(I) The fact and date of the execution by any owner or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take

acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(2) The authority of the person or persons executing any such instrument on behalf of a corporate owner of Grant Receipts – PFC Obligations may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

(3) The ownership of Grant Receipts – PFC Obligations and the amount, numbers and other identification, and date of ownership of the same shall be proved by the registry books.

(b) Any request consent or vote of the owner of any Grant Receipts – PFC Obligation shall bind all future owners of such Grant Receipts – PFC Obligation in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 1014. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City, any Bond Insurer, and Credit Provider and any owner of Grant Receipts – PFC Obligations and their agents and their representatives, any of whom may make copies thereof.

ARTICLE XI

Miscellaneous

Section 1101. No Recourse Under Indenture or on Grant Receipts – PFC Obligations. All covenants, stipulations, promises, agreements and obligations of the City contained in this Indenture or any Supplemental Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any officer or employee of the City in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Grant Receipts – PFC Obligations or for any claim based thereon or on this Indenture or any Supplemental Indenture against any officer or employee of the City or any natural person executing the Grant Receipts – PFC Obligations.

Section 1102. Rights of Bond Insurers.

(a) Subject to the provisions of subsection (b) of this Section, the rights of the owner of any Insured Obligation to take any action pursuant to the provisions of Article VII, Article VIII (other than Section 802(b)) and Article IX are abrogated and the Bond Insurer shall be deemed to be the sole owner of any Insured Obligation that is insured under the Bond Insurance Policy issued by such Bond Insurer for the purpose of any approval, request, demand, consent, waiver or other instrument of similar purpose pursuant to any provision of Article VII, Article VIII (other than Section 802(b)) or Article IX.

(b) All rights of any Bond Insurer under subsection (a) of this Section, Article VII, Article VIII and Article IX or any Supplemental Indenture shall cease and terminate if: (i) such Bond Insurer has failed to make any payment under its Bond Insurance Policy; (ii) such Bond Insurance Policy shall cease to be valid and binding on such Bond Insurer or shall be declared to be null and void, or the validity or enforceability of any provision thereof is being contested by such Bond Insurer, or such Bond Insurer is denying further liability or obligation under such Bond Insurance Policy; (iii) a petition has been filed and is pending against such Bond Insurer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, and has not been dismissed within sixty days after such filing; (iv) such Bond Insurer has tiled a petition, which is still pending, in voluntary bankruptcy or is seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, or has consented to the tiling of any petition against it under any such law; or (v) a receiver has been appointed for such Bond Insurer under the insurance laws of any jurisdiction.

(c) As long as any Bond Insurance Policy shall be in full force and effect, the City and the Trustee shall comply with all provisions of the Bond Insurance Policy.

Section 1103. Limited Liability of the City; No Pledge of Taxing Power. The City shall not be required to advance any moneys derived from the proceeds of any taxes collected in the City, or from any source of income other than the Grant Receipts and the Subordinate Lien PFC Revenues pledged to the payment of any Grant Receipts – PFC Obligations, for the payment of the principal of or interest on Grant Receipts – PFC Obligations, for the performance of any covenants contained in this Indenture or any Supplemental Indenture or for the payment of any obligations under this Indenture or any Supplemental Indenture, including indemnification. The City may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the City for such purpose without incurring indebtedness.

The Bonds shall be limited revenue obligations, payable exclusively from the Grant Receipts and the Subordinate Lien PFC Revenues as provided in this Indenture. The general fund of the City is not liable, and the credit or taxing power of the City is not pledged, for the payment of the Grant Receipts – PFC Obligations or their interest. The Owners of the Grant Receipts – PFC Obligations shall never have the right to compel the exercise of the taxing power of the City or the forfeiture of any property of the City.

Section 1104. Notices. Except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given to the parties required hereunder to receive such notice, certificate or communication when mailed by registered mail, postage prepaid, addressed as follows:

If to the City: City of Chicago
 Office of Chief Financial Officer
 Sixth Floor
 33 North LaSalle Street
 Chicago, Illinois 60602

Attention: Chief Financial Officer

With a copy to: City of Chicago
 Department of Aviation
 Chicago-O'Hare International Airport
 Terminal 2 – E/F Mezzanine
 P.O. Box 66142
 Chicago, Illinois 60666

Attention: Commissioner of the Department
 of Aviation

If to the Trustee: _____

Attention: _____

In case by reason of the suspension of mail service, it shall be impracticable to give notice by mail of any event to the owners of any Grant Receipts – PFC Obligations, to the City, to the Trustee, to any Credit Provider, to any Bond Insurer or to any other person to whom such notice is required to be mailed by the provisions of this Indenture or any Supplemental Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of notice.

Section 1105. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1106. Applicable Law. This Indenture shall be governed exclusively by and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed in the State of Illinois.

IN WITNESS WHEREOF, the City has caused these presents to be signed in its name and behalf by its Chief Financial Officer and its official seal to be hereunto affixed and attested by its City Clerk; and to evidence its acceptance of the trusts hereby created the Trustee has caused these presents to be signed in its name and behalf by one of its Authorized Signatories, its corporate seal to be hereunto affixed, and the same to be attested by one of its Authorized Signatories, all as of the _____ day of _____, 2011.

CITY OF CHICAGO

By: _____
Chief Financial Officer

[SEAL]

Attest:

By: _____
City Clerk

_____,
as Trustee

By: _____
Authorized Signatory

[SEAL]

Attest:

By: _____
Authorized Signatory

EXHIBIT A

Plan of Finance Compliance Certificate

[Date]

[Trustee] under the Master Trnst
Indenture Securing Chicago O'Hare
International Airport Grant Receipts
and Subordinate Lien Passenger
Facility Charge Obligations

Ladies and Gentlemen:

This Certificate is given to you pursuant to Section _____ of the Master Trust Indenture Securing Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Obligations dated as of _____, 2011 (the "*Master Indenture*") between you and the City of Chicago. All terms used herein shall have the meanings set forth in the Master Indenture.

The undersigned, on behalf of the City, hereby certifies as follows:

1. I have reviewed the report of [describe PFC audit] for the year ending _____, all PFC Approvals and such other matters which I deem necessary in order to execute this Certificate.

2. As of the date hereof, pursuant to current PFC Approvals the City is authorized to impose and use \$ _____ of passenger facility charges collected at O'Hare including investment income on previously collected PFC Revenues earned through _____ (the "*Estimated Termination Date*").

3. Attached hereto as *Exhibit A* is a schedule of the combined Aggregate First Lien Debt Service on all Outstanding First Lien PFC Obligations, Aggregate Priority Obligation Debt Service on all Priority Obligations, Aggregate Subordinate Lien Debt Service on all Outstanding Grant Receipts – PFC Obligations [and any proposed Series of Grant Receipts – PFC Obligations being issued at the time the Certificate is given]*, demonstrating that all First Lien PFC Obligations are to be paid (or deemed paid pursuant to the First Lien PFC Indenture), and all Priority Obligations are to be paid (or deemed to be paid pursuant to the Priority Obligation Indenture) and all Grant Receipts – PFC Obligations are to be paid (or deemed paid pursuant to the Master Indenture) on or prior to the Estimated Termination Date.

*To be used when the Certificate is required under Section 206(f) of the Master Indenture.

4. PFC Revenues in the PFC Capital Fund when added to (a) available moneys in the Bond Fund under the First Lien Indenture, the Priority Obligation Subordinated PFC Bond Fund under the Priority Obligation Indenture and the Grant Receipts – Subordinated PFC Bond Fund under the Master Indenture, and (b) projected PFC Revenues based upon any period of 12 consecutive months out of the preceding 18 months at O’Hare, after giving effect to other projected uses of PFC Revenues through the date on which all Outstanding First Lien PFC Obligations, all Outstanding Priority Obligations and all Outstanding Grant Receipts – PFC Obligations [including any proposed Series of Grant Receipts – PFC Obligations being issued at the time this Certificate is given]* are expected to be paid in full (“*Anticipated Redemption Date*”), are equal to or greater than 105% of all Aggregate First Lien Debt Service, all Aggregate Priority Obligation Debt Service and all Aggregate Subordinate Lien Debt Service [including any proposed Series of Grant Receipts – PFC Obligations being issued at the time this Certificate is given]* through the Anticipated Redemption Date as set forth in *Exhibit A*.

CITY OF CHICAGO

By: _____
Chief Financial Officer

* To be used when the Certificate is required under Section 206(f) of the Master Indenture.

CITY OF CHICAGO

To

_____,
as Trustee

FIRST SUPPLEMENTAL INDENTURE

SECURING

CHICAGO O'HARE INTERNATIONAL AIRPORT
GRANT RECEIPTS AND SUBORDINATE LIEN
PASSENGER FACILITY CHARGE REVENUE BONDS,
SERIES 2010A

Dated as of _____ 1, 201_

Supplementing a Master Trust Indenture Securing Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Obligations dated as of _____ 1, 201_, from the City of Chicago to _____, as Trustee.

FIRST SUPPLEMENTAL INDENTURE

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FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE, made and entered into as of _____ 1, 201_, from the CITY OF CHICAGO (the "*City*"), a municipal corporation and home rule unit of local government duly organized and existing under the Constitution and laws of the State of Illinois, to _____ (the "*Trustee*"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America and the State of Illinois;

W I T N E S S E T H:

WHEREAS, the City is a home rule unit of local government, duly organized and existing under the laws of the State of Illinois, and in accordance with the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois is authorized to own and operate commercial and general aviation facilities; and

WHEREAS, the City owns and operates an airport known as Chicago O'Hare International Airport ("*O'Hare*"); and

WHEREAS, the City has entered into a Master Trust Indenture Securing Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Obligations, dated as of _____ 1, 2011 with the Trustee (the "*Indenture*") which authorizes the issuance of Grant Receipts – PFC Obligations (as defined in the Indenture) in one or more Series pursuant to one or more Supplemental Indentures and the incurrence by the City of Section 208 Obligations (as defined in the Indenture); and

WHEREAS, in order to pay a portion of the Cost of the Projects (as defined in the Indenture), the City has authorized the issuance and sale of \$_____ aggregate principal amount of Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Revenue Bonds, Series 2011A (the "*Bonds*"); and

WHEREAS, the Indenture provides that the City shall execute and deliver to the Trustee a Supplemental Indenture in connection with the issuance of the Bonds; and

WHEREAS, the City has taken all action necessary to cause the Bonds issued pursuant to this First Supplemental Indenture to be valid and binding Grant Receipts – PFC Obligations; and

WHEREAS, the Bonds, and the Trustee's Certificate of Authentication to be endorsed on such Bonds, are to be in substantially the following forms with necessary and appropriate variations, omissions and insertions as permitted or required by the Indenture or this First Supplemental Indenture, to wit:

[Form of Bond]

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF CHICAGO
Chicago O'Hare International Airport
Grant Receipts and Subordinate Lien
Passenger Facility Charge Revenue Bond, Series 2011A

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

Registered Owner: Cede & Co.

Principal Amount:

CITY OF CHICAGO (the "City"), a municipal corporation and home rule unit of local government duly organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the Registered Owner identified above, or registered assigns, on the maturity date specified above, unless this Bond shall have been called for redemption and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the principal amount specified above, and to pay (but only out of the sources hereinafter provided) interest on the balance of said principal amount from time to time remaining unpaid from and including the date hereof or from and including the most recent Interest Payment Date (as defined in the hereinafter defined Indenture) with respect to which interest has been paid or duly provided for, until payment of said principal sum has been made or duly provided for, at the interest rate specified above, computed on the basis of a 360 day year consisting of twelve 30 day months, payable on _____ 1, 201_ and semi-annually thereafter on each January 1 and July 1, and to pay interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rates due on this Bond. Principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America at the corporate trust operations office of _____, as Trustee, or its successor in trust (the "Trustee"); provided, however, that payment of the interest on any Interest Payment Date shall be (i) made to the registered owner hereof as of the close of business on the applicable Record Date (as defined in the Indenture) with respect to such Interest Payment Date and shall be paid by check or draft mailed to such registered owner hereof at his or her address as it appears on the registration books of the City maintained by the Trustee as Bond Registrar or at such other address as is furnished in writing by such registered owner to the Trustee as Bond Registrar as of the close of business on such Record Date or (ii) made by wire transfer to such registered

owner as of the close of business on such Record Date upon written notice of such wire transfer address in the continental United States by such owner to the Bond Registrar given prior to such Record Date (which notice may provide that it will remain in effect until revoked), provided that each such wire transfer shall only be made with respect to an owner of \$1,000,000 or more in aggregate principal amount of the Bonds as of the close of business on the Record Date relating to such Interest Payment Date; except, in each case, that if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the registered owners as provided in the Indenture. So long as this Bond is restricted to being registered in the registration books of the City in the name of a Securities Depository (as defined in the Indenture), the provisions of the Indenture governing Book-Entry Bonds shall govern the payment of the principal of and interest on this Bond.

This Bond is one of an authorized series of bonds limited in aggregate principal amount to \$_____ (the "*Bonds*") issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and ordinances of the City Council of the City, and executed under a Master Trust Indenture Securing Chicago O'Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Obligations dated as of _____ 1, 2011, from the City to _____, as trustee (the "*Trustee*"), as supplemented by a First Supplemental Indenture, dated as of _____ 1, 2011, from the City to the Trustee (collectively, the "*Indenture*"), for the purpose of paying costs of Projects at the Chicago O'Hare International Airport, funding a debt service reserve account and paying costs and expenses incidental thereto and to the issuance of the Bonds.

The Bonds are limited obligations of the City and shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the City, the State of Illinois or any political subdivision thereof is pledged to the payment of the principal of the Bonds, or the interest or any premium thereon, or other costs incident thereto. The Bonds are payable solely from the revenues in the Indenture pledged to such payment, and no owner or owners of the Bonds shall ever have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place. All capitalized terms used in this Bond shall have the meanings assigned in the Indenture unless otherwise defined herein.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as

required by law, and that the issuance of this Bond and the series of which it forms a part does not exceed or violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture unless and until the certificate of authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the City of Chicago has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor and the manual or facsimile of its corporate seal to be printed hereon and attested by the manual or facsimile signature of its City Clerk.

CITY OF CHICAGO

By _____
Mayor

[SEAL]

Attest:

City Clerk

[DTC Legend]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[Form of Tmstee's Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2011A Bonds described in the within-mentioned Indenture.

Date of Authentication:

_____,
as Tmstee

By _____
Authorized Signature

[Form of Reverse of Bond]

The Bonds and the interest thereon are payable from Grant Receipts and Subordinate Lien PFC Revenues pledged to the payment thereof under the Indenture and certain other moneys held by or on behalf of the Tmstee. Copies of the Indenture are on file at the corporate tmst office of the Tmstee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds, and the limitations on such rights and remedies.

The Bonds are issuable only as fully registered Bonds in the authorized denominations described in the Indenture. Bonds may be transferred on the books of registration kept by the Bond Registrar by the owner in person or by the owner's duly authorized attorney, upon surrender thereof, together with a written instrument of transfer executed by the owner or the owner's duly authorized attorney. Upon surrender for registration of transfer of any Bond with all partial redemptions endorsed thereon at the office of the Bond Registrar, the City shall execute and the Tmstee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity and interest rate, aggregate principal amount and tenor and of any authorized denomination or denominations and bearing numbers not contemporaneously outstanding under the Indenture.

Bonds may be exchanged at the office of the Bond Registrar for an equal aggregate principal amount of Bonds in the appropriate form and in the same maturity and interest rate, aggregate principal amount and tenor and of any authorized denomination or denominations. The City shall execute and the Tmstee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive.

Such registration of transfer or exchange of Bonds shall be without charge to the owners of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the owners of the Bond requesting such transfer or exchange as a condition precedent to the exercise of such privilege.

The Bond Registrar shall not be required to register for transfer or exchange any undelivered Bond or Bonds after the giving of notice calling such Bond for redemption or partial redemption has been made.

The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of principal, premium, if any, or interest shall be made only to or upon the order of the registered owner thereof or the owner's duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Bonds maturing on January 1, 20__, are subject to mandatory redemption, in part and by lot as provided in the Indenture from mandatory Sinking Fund Payments, on January 1 in each of the years and in the respective principal amounts set forth below, at a Redemption Price equal to the principal amount thereof to be redeemed:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 20__ | \$ |
| 20__ | |
| 20__ | |
| 20__ | |
| 20__ | |

The Bonds maturing on January 1, 20__, are subject to mandatory redemption, in part and by lot as provided in the Indenture from mandatory Sinking Fund Payments, on January 1 in each of the years and in the respective principal amounts set forth below, at a Redemption Price equal to the principal amount thereof to be redeemed:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 20__ | \$ |
| 20__ | |
| 20__ | |
| 20__ | |
| 20__ | |

The Bonds maturing on or after January 1, 20__ are subject to redemption, otherwise than from mandatory Sinking Fund Payments, at the option of the City, on or after January 1, 20__, as a whole or in part at any time, and if in part, in such order of maturity as the City shall determine and within any maturity by lot, at a Redemption Price equal to the principal amount of such Bonds or portions thereof to be redeemed, in each case together with accrued interest to the redemption date.

Notice of any such redemption must be given by the Trustee by first class mail not less than 30 nor more than 60 days prior to the date fixed for redemption to the registered owners of the Bonds. Failure to mail any such notice to the registered owner of any Bond or any defect therein shall not affect the validity of the proceedings for the redemption of Bonds for which notice has been validly given.

This Bond and all other Bonds of the series of which it forms a part are issued pursuant to an ordinance adopted by the City Council of the City, which ordinance authorizes the execution and delivery of the Indenture. This Bond and the series of which it forms a part are limited obligations of the City payable solely from the amounts pledged therefor under the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, employee or agent, or member of the City Council, of the City, or any successor to the City, as such, either directly or through the City, or any successor to the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, employee or agent, or member of the City Council, as such, is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Indenture prescribes the manner in which it may be discharged and after which the Bonds shall no longer be secured by or entitled to the benefits of the Indenture, except as provided in the Indenture and for the purposes of registration and exchange of Bonds and of such payment, including a provision that the Bonds shall be deemed to be paid if Defeasance Obligations maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of, premium, if any, and interest on the Bonds and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

[Form of Assignment]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond of the City of Chicago and does hereby irrevocably constitute and appoint _____

to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Registered Owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the City of all the covenants expressed or implied herein and in the Bonds, does hereby assign and grant a security interest in and to the following

to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the City hereinafter set forth (the "*Trust Estate*"):

GRANTING CLAUSE FIRST

All right, title and interest of the City in and to the Grant Receipts and the Subordinate Lien PFC Revenues, to the extent pledged and assigned in the granting clauses of the Indenture.

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by the Trustee under the terms of this First Supplemental Indenture, except for moneys deposited with or paid to the Trustee and held in trust hereunder for the redemption of Bonds, notice of the redemption of which has been duly given.

GRANTING CLAUSE THIRD

Any and all other property, rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto, as and for additional security hereunder by the City or by any other person on its behalf or with its written consent to the Trustee, and the Trustee is hereby authorized to receive any and all property thereof at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds without privilege, priority or distinction as to the lien or otherwise of any of the foregoing over any other of the foregoing except to the extent herein or in the Indenture otherwise specifically provided;

PROVIDED, HOWEVER, that if the City, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner set forth therein according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required under Article IV of this First Supplemental Indenture, or shall provide, as permitted hereby, for the payment thereof and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of the Indenture, this First Supplemental Indenture and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon the final payment thereof this First Supplemental Indenture

and the rights hereby granted shall cease, determine and be void; otherwise this First Supplemental Indenture shall remain in full force and effect;

THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests and any other amounts hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, tmsts, uses and purposes as herein expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Tmstee and with the respective owners of the Bonds, as follows:

ARTICLE I

Authorization and Definitions

Section 1.01. **Authorization for First Supplemental Indenture.** This First Supplemental Indenture is a "*Supplemental Indenture*" as defined in the Indenture and is executed and delivered by the City by virtue of and pursuant to the home mle powers of the City and Section 701 of the Indenture. The City has ascertained and hereby determines and declares that the execution and delivery of this First Supplemental Indenture is necessary to meet the commercial and general aviation needs of the citizens of the City, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient to carry out and effectuate such purposes of the City and to carry out its powers and is in furtherance of the public benefit, safety and welfare of the City and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order better to secure the Bonds and are contracts or agreements necessary, useful and convenient to carry out and effectuate the corporate purposes of the City.

Section 1.02. **Definitions.** All capitalized terms used in this First Supplemental Indenture unless otherwise defined shall have the same meaning as used in Article I of the Indenture. In addition, the following words and phrases shall have the following meanings for purposes of this First Supplemental Indenture:

"*Authorized Denomination*" means \$5,000 or any integral multiple thereof.

"*Bond Fund*" means the Chicago O'Hare International Airport, Grant Receipts and Passenger Facility Charge Subordinated Bond Fund created by Section 301 of the Indenture.

"*Bondholder*" or "*holder*" or "*Bondowner*" or "*owner of the Bonds*" or "*registered owner*" means the Registered Owner of any Bond.

“*Bond Registrar*” means the person appointed to serve as Bond Registrar pursuant to Section 2.03.

“*Bonds*” means the Chicago O’Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Revenue Bonds, Series 2011A, of the City, authorized to be issued by the Ordinance, the Indenture and Section 2.02 of this First Supplemental Indenture.

“*Business Day*” means a day except Saturday, Sunday or any day on which banking institutions located in the States of New York or Illinois are required or authorized to close or on which the New York Stock Exchange is closed.

“*City*” means the City of Chicago, a municipal corporation and home rule unit of local government, organized and existing under the Constitution and laws of the State.

“*Code*” means the United States Internal Revenue Code of 1986. References to the Code and to Sections of the Code shall include relevant final, temporary or proposed regulations thereunder as in effect from time to time and as applicable to obligations issued on the date of issuance of the Bonds.

“*Date of Issuance*” means _____, 2011, the date of original issuance and delivery of the Bonds.

“*DTC*” means The Depository Trust Company, and its successors and assigns.

“*First Supplemental Indenture*” means this First Supplemental Indenture and any amendments and supplements hereto.

“*Indenture*” means the Master Trust Indenture Securing Chicago O’Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Obligations, dated as of _____ 1, 2011, from the City to the Trustee, pursuant to which Grant Receipts – PFC Obligations are authorized to be issued, and any amendments and supplements thereto, including this First Supplemental Indenture. References to Articles and Sections of the Indenture shall be deemed to refer to Articles and Sections of the Indenture only.

“*Interest Payment Date*” means January 1 and July 1 of each year, commencing _____ 1, 201__.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

“Ordinance” means the 2010 O’Hare Financing Ordinance duly adopted and approved by the City Council of the City on September 8, 2010, as supplemented by the 2010 O’Hare Financing Supplemental Ordinance duly adopted and approved by the City Council of the City on _____, 2010, which authorizes the issuance and sale of the Bonds and the execution of this First Supplemental Indenture.

“Participant,” when used with respect to any Securifies Depository, means any participant of such Securities Depository.

“Qualified Reserve Account Credit Instrument” means a letter of credit, surety bond or non-cancellable insurance policy issued by a domestic or foreign bank, insurance company or other financial institution whose debt obligations are rated *“Aa”* or better by Moody’s or *“AA”* or better by S&P as of the date of issuance thereof.

“Record Date” means June 15 and December 15 of each year.

“Registered Owner” or *“Owner”* means the person or persons in whose name or names a Bond shall be registered on the books of the City kept for that purpose by the Trustee in accordance with the provisions of this First Supplemental Indenture.

“Reserve Requirement” means, as of the date of the computation, an amount equal to the lesser of (i) \$_____, or (ii) the maximum amount of Annual Subordinated Lien Debt Service payable on the Bonds for the current or any future Bond Year.

“Securities Depository” means DTC and any other securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as the securities depository for the Bonds.

“S&P” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if S&P shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *“S&P”* shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

“State” means the State of Illinois.

“Tax Certificates” means the Tax Compliance Certificate and the General Tax Certificate of the City with respect to the Bonds, each dated the Date of Issuance.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

“Trustee” means _____, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor Trustee at the time serving as successor trustee hereunder.

“2011A Projects” means the Projects being financed with the proceeds of the Bonds.

ARTICLE II

The Bonds

Section 2.01. Authorized Purposes and Amount of Bonds. No Bonds may be issued under the provisions of this First Supplemental Indenture except in accordance with this Article. The Bonds are being issued to provide funds to pay a portion of the costs of the 2011A Projects (including capitalized interest), to fund the Debt Service Reserve Account established by Section 4.02(b) and to pay Costs of Issuance of the Bonds. Except as provided in Section 2.08, the total principal amount of Bonds that may be issued hereunder is expressly limited to \$_____.

Section 2.02. Issuance of Bonds. The Bonds shall be issued in the aggregate principal amount of \$_____, shall constitute a Series of Grant Receipts – PFC Obligations and Project Obligations under the Indenture and shall be designated “City of Chicago, Chicago O’Hare International Airport Grant Receipts and Subordinate Lien Passenger Facility Charge Revenue Bonds, Series 2011A.”

The Bonds shall be dated as of the Interest Payment Date next preceding their date of authentication, unless such date of authentication is an Interest Payment Date, in which case the Bonds shall be dated as of such Interest Payment Date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event the Bonds shall be dated as of the Date of Issuance.

The Bonds shall be issued as registered bonds without coupons. The Bonds shall be issued only in Authorized Denominations. The Bonds shall be numbered consecutively from R-1 upwards bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Bond Registrar.

The Bonds shall mature on January 1 of each of the following years and bear interest at the following interest rates per annum:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-------------------------|----------------------|
|-------------|-------------------------|----------------------|

Interest on the Bonds shall be payable on January 1 and July 1 of each year, commencing _____ 1, 201_. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30 day months.

Section 2.03. Payments on the Bonds. The Tmstee is appointed as the Paying Agent and Bond Registrar for the Bonds. Interest on the Bonds shall be payable on each applicable Interest Payment Date. The Bonds shall bear interest from their date or from and including the most recent Interest Payment Date with respect to which interest has been paid or duly provided for. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Except as provided in Section 2.10 the principal of and redemption premium, if any, on all Bonds shall be payable at the corporate tmst office of the Tmstee upon the presentation and surrender of the Bonds as the same become due and payable. Except as provided in Sections 2.09 and 2.10, the interest on the Bonds shall be paid by check or draft drawn upon the Tmstee and mailed to the registered owners at such owner's address as it appears on the registration books maintained by the Bond Registrar at the close of business on the Record Date next preceding each Interest Payment Date or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar. Interest on the Bonds shall be paid by wire transfer to any Registered Owner who at the close of business on such Record Date has given written notice of its wire transfer address in the continental United States to the Bond Registrar prior to such Record Date (which notice may provide that it will remain in effect until revoked), provided that each such wire transfer shall only be made with respect to a Registered Owner of \$1,000,000 or more in aggregate principal amount of the Bonds as of the close of business on such Record Date.

Section 2.04. Execution. The Bonds shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor of the City and attested with the official manual or facsimile signature of its City Clerk, and shall have affixed, impressed, imprinted or otherwise reproduced thereon the corporate seal of the City or a

facsimile of the seal. The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State, and pursuant to the Ordinance, which authorizes the execution and delivery of this First Supplemental Indenture. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, as if he or she had remained in office until delivery.

Section 2.05. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this First Supplemental Indenture unless and until such certificate of authentication in substantially the form hereinabove set forth shall have been duly executed by the Trustee, and such executed certificate of the Trustee, upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this First Supplemental Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds.

Section 2.06. Form of Bonds; Temporary Bonds. The Bonds issued under this First Supplemental Indenture shall be substantially in the form hereinbefore set forth, with such appropriate variations, omissions and insertions as are permitted or required by this First Supplemental Indenture.

Pending preparation of definitive Bonds, or by agreement with the purchasers of the Bonds, the City may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive Bonds, one or more temporary printed or typewritten Bonds in Authorized Denominations of substantially the tenor recited above. Upon request of the City, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.07. Delivery of Bonds. Upon the execution and delivery of this First Supplemental Indenture, the City shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to the purchasers as may be directed by the City as provided in this Section. Prior to the delivery by the Trustee of any of the Bonds, there shall be filed with the Trustee: each of the items listed in subsections (a), (b), (c), (d), (e), (f) and (g) of Section 206 of the Indenture.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Trustee may authenticate a new Bond of like date, Series, maturity, interest rate and denomination as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the

Trustee evidence of such loss, theft or destruction satisfactory to the City and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the City may pay the same without surrender thereof. The City and the Trustee may charge the Registered Owner of such Bond with their reasonable fees and expenses in this connection. All Bonds so surrendered to the Trustee shall be cancelled and destroyed, and evidence of such destruction shall be given to the City. Upon the date of final maturity or redemption of all of the Bonds, the Trustee shall destroy any inventory of unissued certificates.

Section 2.09. Registration and Exchange of Bonds; Persons Treated as Owners. The City shall cause books for the registration and for the transfer of the Bonds as provided in this First Supplemental Indenture to be kept by the Trustee as the Bond Registrar of the City. Upon surrender for transfer of any Bond at the office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or such Owner's attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond for a like maturity, interest rate and aggregate principal amount.

Bonds may be exchanged at the corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered Bonds of the same maturity and interest rate and of other Authorized Denominations. The City shall execute and the Bond Registrar shall authenticate and deliver Bonds which the Bondowners making the exchange are entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the City of any Bond of any denomination shall constitute full and due authorization of such denomination and the Bond Registrar shall thereby be authorized to authenticate and deliver such Bond.

The Bond Registrar shall not be required to register for transfer or exchange any undelivered Bond or any Bond after the giving of notice calling such Bond for redemption or partial redemption.

The person in whose name any fully registered Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such registered Bond upon any transfer or exchange thereof subsequent to the Record Date and prior to such Interest Payment Date, except if and to the extent there shall be a default in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the person in whose name such Bond is registered either at the close of business on the day preceding the date of payment of such defaulted interest or on a subsequent Record Date for such payment if one shall have been established as hereinafter provided. A subsequent Record Date for defaulted interest may be established by the Trustee by notice mailed to the Registered Owners of

Bonds not less than 10 days preceding such Record Date, which Record Date shall be not more than 30 days prior to the subsequent Interest Payment Date.

Except as provided in the Indenture, as to any Bond the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, or interest on any Bond shall be made only to or upon the written order of the Registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

In each case the Bond Registrar shall require the payment by the Bondowner requesting exchange or transfer, of any tax or other governmental charge required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the Bondowner for such exchange or transfer.

Section 2.10. Book-Entry Provisions. The provisions of this Section shall apply so long as the Bonds are maintained in book-entry form with DTC or another Securities Depository.

(a) Payments. The Bonds shall be payable to the Securities Depository, or its nominee, as the Registered Owner of the Bonds, in same day funds on each date on which the principal of, interest on, and premium, if any, on the Bonds is due as set forth in this First Supplemental Indenture and in the Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the City and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the City and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set forth in this First Supplemental Indenture. If such different manner of payment is agreed upon, the City shall give the Trustee written notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice. Neither the City nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, interest on, and premium, if any, on the Bonds to Participants or the beneficial owners of the Bonds or their nominees.

(b) Replacement of the Securities Depository. If (i) the City determines or (ii) the City receives notice that the Securities Depository has received notice from its Participants having interests in at least 50% in principal amount of the Bonds that the Securities Depository or its successor is incapable of discharging its responsibilities as a securities depository or that it is in the best interests of the beneficial owners that they obtain certificated Bonds, the City may (or in the case of clause (ii) above, the City shall) cause the Trustee to authenticate and deliver Bond certificates. The City shall have no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in this paragraph.

(c) Discontinuance of Book-Entry or Change of Securities Depository. If, following a determination or event specified in paragraph (b) above, the City discontinues the maintenance of the Bonds in book-entry form with the then current Securities Depository, the City will issue replacement Bonds to the replacement Securities Depository, if any, or, if no replacement Securities Depository is selected for the Bonds, directly to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant, to the beneficial owners of the Bonds shown on the records of such Participant. Replacement Bonds shall be in fully registered form and in Authorized Denominations, be payable as to interest on the Interest Payment Dates of the Bonds by check or draft mailed to each Registered Owner at the address of such Registered Owner as it appears on the bond registration books maintained by the City for such purpose at the corporate trust office of the Trustee or at the option of any Registered Owner of not less than \$1,000,000 in aggregate principal amount of Bonds, by wire transfer to any address in the continental United States of America on such Interest Payment Date to such Registered Owner as of such Record Date, if such Registered Owner provides the Trustee with written notice of such wire transfer address not later than the Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice). Principal and premiuru, if any, on the replacement Bonds are payable only upon presentation and surrender of such replacement Bond or Bonds at the corporate trust office of the Trustee.

(d) Effect of Book-Entry System. The Securities Depository and its Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the City and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the beneficial owners of the Bonds, nor shall the City or the Trustee be liable for the failure of any Participant or other nominee of the beneficial owners to perform any obligation of the Participant to a beneficial owner of the Bonds.

ARTICLE III

Redemption of Bonds Before Maturity

Section 3.01. **Redemption Dates and Prices.** The Bonds shall be subject to redemption prior to maturity in the amounts, at the times and in the manner provided in this Article III.

(a) Optional Redemption. The Bonds maturing on or after January 1, 20__ are subject to redemption, otherwise than from mandatory Sinking Fund Payments, at the option of the City, on or after January 1, 20__, as a whole or in part at any time, and if in part, in such order of maturity as the City shall determine and within any maturity by lot,

at a Redemption Price equal to the principal amount of such Bonds or portions thereof to be redeemed, in each case together with accrued interest to the redemption date.

(b) Mandatory Sinking Fund Redemption. The Bonds maturing on January 1, 20__, are subject to mandatory redemption, in part and by lot as provided in the Indenture from mandatory Sinking Fund Payments that are hereby established, on January 1 in each of the years and in the respective principal amounts set forth below, at a Redemption Price equal to the principal amount thereof to be redeemed:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
|-------------|-------------------------|

(maturity)

The Bonds maturing on January 1, 20__, are subject to mandatory redemption, in part and by lot as provided in the Indenture from mandatory Sinking Fund Payments that are hereby established, on January 1 in each of the years and in the respective principal amounts set forth below, at a Redemption Price equal to the principal amount thereof to be redeemed:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
|-------------|-------------------------|

(maturity)

(c) Reduction of Sinking Fund Payments. In the event of (i) the optional redemption or (ii) the purchase and cancellation by the City, of less than all the Bonds of like Series and maturity with respect to which Sinking Fund Payments have been established, the principal amount so redeemed or purchased shall be credited against the unsatisfied balance of future Sinking Fund Payments or the final maturity amount established with respect to such Bonds, in such amount and against such Sinking Fund Payment or final maturity amount as shall be determined by the City in a certificate of the Chief Financial Officer filed with the Trustee prior to the mailing of the notice of redemption of such Bonds or, in the absence of such determination, shall be credited pro-rata (rounded in such manner as the Trustee shall determine) against the unsatisfied balance of the applicable Sinking Fund Payments and final maturity amount.

Section 3.02. Notice of Redemption. Notice of the redemption of Bonds or any portion thereof pursuant to Section 3.01 identifying the Bonds or portions thereof to be redeemed, specifying the redemption date, the Redemption Price (or the method of determination of the Redemption Price), the places and dates of payment and that from the redemption date interest will cease to accrue, shall be given by the Trustee by mailing a copy of such redemption notice by first class mail not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed in whole or in part at the address of such Registered Owner shown on the registration books. Failure to mail any such notice to the Registered Owner of any Bond or any defect therein shall not affect the validity of the proceedings for the redemption of Bonds for which notice has been validly given.

Section 3.03. Deposit of Funds. For the redemption of any of the Bonds, the City shall establish a redemption account for the benefit of the owners of the Bonds to be redeemed and shall cause to be deposited in the account moneys sufficient to pay when due the principal of and premium, if any, and interest on the redemption date.

Section 3.04. Partial Redemption of Bonds. (a) In case a Bond is of a denomination larger than the minimum Authorized Denomination, all or a portion of such Bond (equal to the minimum Authorized Denomination or any integral multiple thereof) may be redeemed but such Bond shall be redeemed only in a principal amount equal to the minimum Authorized Denomination or any integral multiple thereof

(b) Upon surrender of any Bond for redemption in part only, the City shall execute and the Bond Registrar shall authenticate and deliver to the Registered Owner thereof, at the expense of the City, a new Bond or Bonds of like maturity and interest rate and of Authorized Denominations in aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

Section 3.05. Selection of Bonds for Redemption. If less than all of the Bonds of the same maturity and interest rate are called for redemption, the Bonds (or portions thereof) to be redeemed shall be selected by lot by the Trustee.

ARTICLE IV

Revenues and Funds

Section 4.01. Limited Obligations. The Bonds are not general obligations of the City but are limited obligations payable from the Grant Receipts and the Subordinate Lien PFC Revenues (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Bonds or to income from the temporary investment thereof) and shall be a valid claim of the respective Registered Owners thereof only against the Series 2011A Dedicated Sub-Fund created under Section 4.02 and other moneys held by

the Trustee or otherwise pledged therefor, which amounts are hereby pledged, assigned and otherwise held as security for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Indenture or in this First Supplemental Indenture. The Bonds shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the City, the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Bonds or other costs incident thereto.

Section 4.02. Creation of Sub-Fund and Accounts in the Bond Fund.

(a) Creation of Series 2011A Dedicated Sub-Fund. There is hereby created by the City and ordered established with the Trustee a separate and segregated sub-fund within the Bond Fund, such sub-fund to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts – Subordinated PFC Bond Dedicated Sub-Fund” (the “*Series 2011A Dedicated Sub-Fund*”). Moneys on deposit in the Series 2011A Dedicated Sub-Fund, and in each Account established therein as hereinafter provided, shall be held in trust by the Trustee for the sole and exclusive benefit of the Registered Owners of the Bonds and shall not be used or available for the payment of any other Grant Receipts – PFC Obligations.

(b) Creation of Accounts. There are hereby created by the City and ordered established with the Trustee separate Accounts within the Series 2011A Dedicated Sub-Fund, designated as follows:

(1) *Construction Account:* an Account to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts and Subordinate Lien Passenger Facility Charge Construction Account” (the “*Construction Account*”);

(2) *Capitalized Interest Account:* an Account to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts and Subordinate Lien Passenger Facility Charge Capitalized Interest Account” (the “*Capitalized Interest Account*”);

(3) *Costs of Issuance Account:* an Account to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts and Subordinate Lien Passenger Facility Charge Costs of Issuance Account” (the “*Costs of Issuance Account*”);

(4) *Administrative Expense Account:* an Account to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts and Subordinate Lien Passenger Facility Charge Administrative Expense Account” (the “*Administrative Expense Account*”);

(5) *Debt Service Reserve Account*: an Account to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts and Subordinate Lien Passenger Facility Charge Debt Service Reserve Account” (the “*Debt Service Reserve Account*”);

(6) *Principal Account*: an Account to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts and Subordinate Lien Passenger Facility Charge Principal Account” (the “*Principal Account*”);

(7) *Interest Account*: an Account to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts and Subordinate Lien Passenger Facility Charge Interest Account” (the “*Interest Account*”); and

(8) *Rebate Account*: an Account to be designated the “Chicago O’Hare International Airport Series 2011A Grant Receipts and Subordinate Lien Passenger Facility Charge Rebate Account” (the “*Rebate Account*”).

Section 4.03. Application of Bond Proceeds. (a) The proceeds received by the City from the sale of the Bonds shall be applied as follows:

(1) *Capitalized Interest Account*: the Tmstee shall deposit into the Capitalized Interest Account, the amount of \$ _____;

(2) *Debt Service Reserve Account*: the Tmstee shall deposit into the Debt Service Reserve Account, the amount of \$ _____;

(3) *Construction Account*: the Tmstee shall deposit into the Construction Account, the amount of \$ _____; and

(4) *Costs of Issuance*: the balance of the proceeds of the Bonds in the amount of \$ _____ shall be deposited in the Costs of Issuance Account.

Section 4.04. Deposits into Series 2011A Dedicated Sub-Fund and Accounts. (a) On the 25th day of each month, commencing _____ 25, 2011 (each such date referred to herein as the “*Deposit Date*”) there shall be deposited into the Series 2011A Dedicated Sub-Fund (i) *first* from amounts on deposit in the Grant Receipts Disbursement Account of the Bond Fund, (ii) *second* from amounts on deposit in the Grants Receipts Deposit Account of the Bond Fund and (iii) *third* from amounts on deposit in the PFC Revenues Deposit Account of the Bond Fund, an amount equal to the aggregate of the amounts set forth in paragraph (b) of this Section, which amounts shall have been calculated by the Tmstee on the 15th day of each month (such aggregate amount with respect to any Deposit Date being referred to herein as the “*Series 2011A Deposit Requirement*”).

(b) On each Deposit Date the Trustee shall make the following deposits in the following order of priority and if the moneys deposited into the Series 2011A Dedicated Sub-Fund are insufficient to make any required deposit, the deposit shall be made up on the next Deposit Date after required deposits into other Accounts having a higher priority shall have been made in full:

(i) for deposit into the Interest Account, an amount equal to the lesser of (A) (i) prior to _____ 25, 2011, one-_____ of the interest due on the Bonds on _____ 1, 201_, other than interest payable from the Capitalized Interest Account and (ii) on or after _____ 25, 2011, one-sixth of the interest due on the Bonds on the next Interest Payment Date, other than interest payable from the Capitalized Interest Account; or (B) the amount required so that the sum held in the Interest Account, when added to the interest payable from the Capitalized Interest Account on the next Interest Payment Date, will equal the interest due on the Bonds on the next Interest Payment Date;

(ii) for deposit into the Principal Account, an amount equal to the lesser of (A) (i) prior to _____ 25, 2012, one-_____ of the Principal Installment due on the Bonds on January 1, 2012 and (ii) on or after January 25, 2012, one-twelfth of the Principal Installments due on the Bonds on the first day of January next ensuing, or (B) the amount required so that the sum then held in the Principal Account will equal the Principal Installments due on the Bonds on the first day of January next ensuing;

(iii) commencing on the first Deposit Date following any draw of moneys under any Qualified Reserve Account Credit Instrument, to the Credit Provider of the Qualified Reserve Account Credit Instrument as reimbursement for such draw, any amount specified by the City in a Certificate filed with the Trustee prior to such first Deposit Date, which Certificate shall specify the monthly deposit amounts to be made pursuant to this clause (iii) in order to fully restore the coverage of the Qualified Reserve Account Credit Instrument within one year of the date of initial draw thereunder;

(iv) for deposit into the Debt Service Reserve Account, the amount, if any, required as of the close of business on such Deposit Date to restore the Debt Service Reserve Account to an amount equal to the Reserve Requirement;

(v) for deposit into the Rebate Account, any amount so specified by the City in a Certificate filed with the Trustee; and

(vi) for deposit into the Administrative Expense Account, the amount estimated by the City in writing to be required as of the close of business on such Deposit Date to pay all Administrative Expenses, with respect to the Bonds during the 60 day period commencing on such Deposit Date.

(c) In addition to the Series 2011A Deposit Requirement, there shall be deposited into the Series 2011A Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or this First Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Series 2011A Dedicated Sub-Fund and to one or more accounts in the Series 2011A Dedicated Sub-Fund.

(d) Upon calculation by the Trustee of each Series 2011A Deposit Requirement under this Section, the Trustee shall notify the City of the Series 2011A Deposit Requirement and the Deposit Date to which it relates together with such supporting documentation and calculations as the City may reasonably request.

(e) If on any Deposit Date, the amount held in the Series 2011A Dedicated Sub-Fund for deposit to the various Accounts shall be less than the unsatisfied amount of the Series 2011A Deposit Requirement for such Deposit Date, the City shall withdraw, or cause to be withdrawn, from the PFC Capital Fund and paid to the Trustee for deposit into the Series 2011A Dedicated Sub-Fund the amount necessary to cure such deficiency. Any withdrawal from the PFC Capital Fund pursuant to this paragraph shall be subject to (i) the prior and superior pledge of and lien on the PFC Revenues created by the First Lien PFC Indenture and (ii) any superior pledge of and lien on the Subordinate Lien PFC Revenues created by any Priority Obligation Indenture.

Section 4.05. Interest Account. The Trustee shall withdraw from the Interest Account, prior to each Interest Payment Date, an amount equal to the interest due on the Bonds and not payable from a Capitalized Interest Account, and apply the same to the payment of such interest.

Section 4.06. Capitalized Interest Account. The Trustee shall withdraw from the Capitalized Interest Account, prior to each of the following Interest Payment Dates, the amounts set forth in the following table, and apply the same to the payment of the interest on the Bonds due on such Interest Payment Date:

| <u>Interest Payment Date</u> | <u>Amount</u> |
|------------------------------|---------------|
| July 1, 2011 | |
| January 1, 2012 | |
| July 1, 2012 | |
| January 1, 2013 | |
| July 1, 2013 | |
| January 1, 2014 | |

Any amount remaining in the Capitalized Interest Account on _____ 2, 201_, shall be withdrawn from the Capitalized Interest Account and deposited into the Interest Account.

Section 4.07. Principal Account. (a) The Trustee shall withdraw from the Principal Account, prior to each January 1 Payment Date, an amount equal to the Principal Installments of the Bonds maturing on that date, and apply the same to the payment of such Principal Installments when due.

(b) The Trustee shall establish and maintain in the Principal Account a separate account for each particular group of Bonds that mature on a single date and for which Sinking Fund Payments are established pursuant to Section 3.01(b). Moneys paid into the Principal Account as a Sinking Fund Payment in any year shall upon receipt be segregated and set aside in said accounts in proportion to the respective amounts of the Sinking Fund Payment on the next ensuing January 1 Payment Date with respect to the particular Bonds for which each such account is maintained.

(c) The Trustee shall apply moneys in any account established in the Principal Account as provided in subsection (b) of this Section to the purchase or redemption of the Bonds for which such account is maintained in the manner provided in this Section and Article III or to the payment of the principal thereof at maturity. If at any date there shall be moneys in any such account and there shall be Outstanding none of the Bonds for which such account was established, said account shall be closed and the moneys therein shall be withdrawn therefrom and be applied by the Trustee as if paid into the Principal Account on that date.

(d) On or prior to the first day of November of each year, the moneys held for the payment of any particular Sinking Fund Payment, at the written request of an Authorized Officer, may be applied for the purchase of Bonds of the maturity for which such Sinking Fund Payment was established in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of Bonds to be redeemed from such Sinking Fund Payment on the first day of January next ensuing. Bonds purchased pursuant to this subsection shall be cancelled by the Trustee and the principal amount thereof shall be credited against the unsatisfied balance of the applicable Sinking Fund Payment next due and payable. The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond shall be debited from the Principal Account and shall not exceed the Redemption Price of such Bond applicable upon its redemption on the next date on which such Bond could be redeemed in accordance with its terms by the application of Sinking Fund Payments. Subject to the limitations hereinbefore set forth or referred to in this subsection, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as directed by the City in a certificate of an Authorized Officer filed with the Trustee. Accrued interest on Bonds purchased pursuant to this subsection shall be paid from the Interest Account.

(e) As soon as practicable after the 60th and before the 30th day prior to the date of each Sinking Fund Payment, the Trustee shall call for redemption on said date and by application of said Sinking Fund Payment such principal amount of the Bonds entitled to

such Sinking Fund Payment as is required to redeem the unsatisfied balance of such Sinking Fund Payment. The Trustee shall withdraw from the Principal Account, prior to each sinking fund redemption date, an amount equal to the Redemption Price of the Bonds called for redemption on said date, and apply the same to the payment of the Redemption Price of said Bonds when due.

Section 4.08. Timing of Bond Payment Withdrawals. All withdrawals from the Interest Account, the Principal Account or the Capitalized Interest Account under Section 4.05, Section 4.06, Section 4.07(a) or Section 4.07(e) shall be made no earlier than three days prior to the Payment Date to which they relate, and the amount so withdrawn shall, for all purposes of this First Supplemental Indenture, be deemed to remain and be a part of the respective Account until the applicable Payment Date.

Section 4.09. Debt Service Reserve Account. (a) The City shall maintain the Debt Service Reserve Account in an amount equal to the Reserve Requirement, which requirement may be satisfied with (i) one or more Qualified Reserve Account Credit Instruments, (ii) Qualified Investments, (iii) cash, or (iv) a combination thereof. Any Qualified Reserve Account Credit Instrument shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payment thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the Debt Service Reserve Account may be used under this First Supplemental Indenture.

(b) If at any time the Debt Service Reserve Account holds both a Qualified Reserve Account Credit Instrument and Qualified Investments, the Qualified Investments shall be liquidated and the proceeds applied for the purposes for which Debt Service Reserve Account moneys may be applied under this First Supplemental Indenture prior to any draw being made on the Qualified Reserve Account Credit Instruments. If the Debt Service Reserve Account holds Qualified Reserve Account Credit Instruments issued by more than one issuer, draws shall be made under such credit instruments on a pro-rata basis to the extent of available funds.

(c) If on the Business Day prior to any Interest Payment Date there shall not be a sufficient amount in the Interest Account and the Capitalized Interest Account available to provide for the payment of the interest on the Bonds due on such Interest Payment Date, the Trustee shall withdraw from the Debt Service Reserve Account and pay into the Interest Account the amount needed to cure such deficiency.

(d) If on the Business Day prior to any January 1 Payment Date there shall not be a sufficient amount in the Principal Account to provide for the payment of the Principal Installments on the Bonds due on such January 1 Payment Date, the Trustee, after making any withdrawal required by paragraph (c) of this Section, shall withdraw from the Debt Service Reserve Account and pay into the Principal Account the amount needed to cure such deficiency.

(e) If on any date all withdrawals or payments from the Debt Service Reserve Account required by any other provision of the Indenture or this First Supplemental Indenture shall have been made, the Trustee, at the direction of the City expressed in a Certificate of an Authorized Officer filed with the Trustee, shall withdraw from the Debt Service Reserve Account the amount of any excess therein over the Reserve Requirement and either (a) deposit such moneys into any one or more of the Funds and Accounts maintained under the Indenture or this First Supplemental Indenture or (b) pay such moneys to the City free from the lien of the Indenture.

(f) At the direction of the City expressed in a Certificate of an Authorized Officer filed with the Trustee, moneys in the Debt Service Reserve Account may be withdrawn from the Debt Service Reserve Account and deposited with the Trustee for the payment of the principal or Redemption Price of or the interest on Bonds in accordance with Section 601 of the Indenture, provided that immediately after such withdrawal the amount held in the Debt Service Reserve Account equals or exceeds the Reserve Requirement.

Section 4.10. Costs of Issuance Account. The Trustee shall apply moneys in the Costs of Issuance Account for the payment of Costs of Issuance of the Bonds as directed in a Certificate of an Authorized Officer filed with the Trustee. If, after payment of all Costs of Issuance of the Bonds, there shall be any balance remaining in the Costs of Issuance Accounts, such balance, at the direction of an Authorized Officer filed with the Trustee, shall be withdrawn from the Costs of Issuance Account and deposited in the Construction Account.

Section 4.11. Administrative Expense Account. Moneys in the Administrative Expense Account shall be used for the payment of Administrative Expenses as directed by the City in one or more Certificates of an Authorized Officer filed with the Trustee.

Section 4.12. Construction Account. (a) Except as otherwise provided in this First Supplemental Indenture, moneys in the Construction Account shall be disbursed and applied to pay, or to reimburse the payment of, the cost of the 2011A Projects.

(b) All disbursements from the Construction Account shall be made in accordance with requisitions, delivered to the Trustee and signed by the Authorized Officer in respect to each payment, setting forth the following:

- (i) The name of the person, firm or corporation to whom the payment is due;
- (ii) The respective amount to be paid and the forms of payment thereof;

(iii) The purpose, by general classification, for which payment is to be made;

(iv) That the obligations in stated amounts have been incurred by the City, and that each item thereof is a proper charge against the Construction Account and is due and has not been included in any prior requisition which has been paid;

(v) That the payment is for costs which, pursuant to the PFC Approvals, are permitted to be paid from Bond proceeds; and

(vi) That there has not been filed with or served upon the City any notice of any lien, right to lien, or attachment upon or claim affecting the right to receive payment of any of the moneys payable to any of the persons, firms or corporations named which have not been released or will not be released simultaneously with the payment of such obligations, and in the event that any assignment of right to receive payment has been made and notice thereof has been given to the City and the City has accepted such assignment, the order directing payment shall recite that fact and direct the payment to be made to the assignee thereof as shown by the records of the City.

(c) Upon receipt of any such requisitions, the Trustee shall pay each such obligation from the Construction Account, and the Trustee shall make disbursements in accordance with the directions of the Authorized Officer.

Section 4.13. Permitted Transfers. (a) Moneys in the Construction Account may be transferred or withdrawn as shall be specified by the City pursuant to paragraph (b) of this Section for any one or more of the following purposes: (i) to make transfers to one or more other construction accounts maintained under the Indenture to pay the Costs of the Projects, (ii) to make transfers into the Debt Service Reserve Account to make up any deficiency therein, (iii) to make transfers to the Interest Account or the Principal Account, or (iv) to redeem Bonds in accordance with the provisions of this First Supplemental Indenture.

(b) Before any such transfer or withdrawal shall be made, the City shall file with the Trustee:

(i) its requisition therefor, stating the amount of the transfer or withdrawal and directing the Trustee as to the application of such amount;

(ii) a Counsel's Opinion stating that in the opinion of the signer, such transfer or withdrawal is permitted under the applicable PFC Approvals and will not constitute a breach or default on the part of the City of any of the covenants or agreements contained in the Indenture or this First Supplemental Indenture; and

(iii) an opinion of Bond Counsel to the effect that such transfer or withdrawal will not adversely affect any exemption from Federal income taxes of interest on any Bonds.

Section 4.14. Tax Covenants. The City covenants to take any action required by the provisions of the Code and within its power to take in order to preserve the exemption from Federal income taxation of interest on the Bonds, including, but not limited to, the provisions of Section 148 of the Code relating to “arbitrage bonds”. The City covenants to comply with the provisions of the Tax Certificates.

Section 4.15. Rebate Account. At the written direction of the City, moneys in the Rebate Account shall be withdrawn to make arbitrage rebate payments with respect to the Bonds as required by Section 148(f) of the Code. The Tmstee shall not be responsible for determining whether or in what amount such payments should be made.

Section 4.16. Use of the PFC Capital Fund. The City covenants and agrees that the amounts in the PFC Capital Fund will be used whenever necessary to make punctual payment of the Principal Installments of and the interest on the Bonds and of any arbitrage rebate amount payable pursuant to Section 148(f) of the Code. Any withdrawal from the PFC Capital Fund pursuant to this Section shall be subject to (i) the prior and superior pledge of and lien on the PFC Revenues created by the First Lien PFC Indenture and (ii) any superior pledge of and lien on the Subordinate Lien PFC Revenues created by any Priority Obligation Indenture.

Section 4.17. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Tmstee for the account of any Fund or Account referred to in any provision of this First Supplemental Indenture, other than the Rebate Account, shall be held by the Tmstee in tmst as provided in Section 1003 of the Indenture, and shall, while held by the Tmstee, constitute part of the Tmst Estate and be subject to the lien or security interest created hereby.

ARTICLE V

Investment of Moneys

Section 5.01. Investment of Moneys. Moneys held in the funds, accounts and sub-accounts established hereunder shall be invested and reinvested and valued in accordance with the provisions governing investments contained in the Indenture. All such investments shall be held by or under the control of the Tmstee and shall be deemed at all times a part of the fund, account or sub-account for which they were made.

Section 5.02. Investment Income. The interest earned on any investment of moneys held hereunder, any profit realized from such investment and any loss resulting

from such investment shall be credited or charged to the fund, account or sub-account for which such investment was made.

ARTICLE VI

Discharge of Lien

Section 6.01. Defeasance. If the City shall pay to the Registered Owners of the Bonds, or provide for the payment of, the principal, and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated in Section 601 of the Indenture, then this First Supplemental Indenture shall be fully discharged and satisfied. Upon the satisfaction and discharge of this First Supplemental Indenture, the Trustee shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the City all Funds, Accounts and other moneys or securities held by them pursuant to this First Supplemental Indenture which are not required for the payment or redemption of the Bonds not theretofore surrendered or presented for such payment or redemption.

ARTICLE VII

Concerning the Trustee

Section 7.01. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this First Supplemental Indenture, and agrees to perform said trusts, but only upon and subject to the express terms and conditions set forth in this First Supplemental Indenture and in the Indenture. Except as otherwise expressly set forth in this First Supplemental Indenture, the Trustee assumes no duties, responsibilities or liabilities by reason of its execution of this First Supplemental Indenture other than as set forth in the Indenture and this First Supplemental Indenture, and this First Supplemental Indenture is executed and accepted by the Trustee subject to all the terms and conditions of its acceptance of the trust under the Indenture, as fully as if said terms and conditions were herein set forth at length.

Section 7.02. Dealing in Bonds. The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City, and may act as depositary, trustee, or agent for any committee or body of the owners of Bonds secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

ARTICLE VIII

Supplemental Indentures

Section 8.01. Supplements or Amendments to First Supplemental Indenture. This First Supplemental Indenture may be supplemented or amended in the manner set forth in Articles VII and VIII, respectively, of the Indenture.

Section 8.02. Consent of Credit Provider Required. A supplemental indenture under this Article shall not become effective unless each Credit Provider for the Bonds (if any) shall have consented to the execution and delivery of such supplemental indenture, provided that no such consent shall be required of a Credit Provider if such Credit Provider shall have failed to perform its obligations under its Credit Facility with respect to the Bonds.

ARTICLE IX

Credit Facilities

Section 9.01. Payments Under Bond Insurance Policy. As long as the Bond Insurance Policy shall be in full force and effect with respect to the Bonds, the City and the Trustee agree to comply with the following provisions:

Section 9.02. Information to be Supplied to the Insurer. While any Bond Insurance Policy is in effect with respect to the Bonds, the applicable party shall furnish to the Insurer the following information:

Section 9.03. Consent of Insurer.

Section 9.04. Rights of Insurer Upon Default or Insolvency.

Section 9.05. Bond Insurer Performance. The existence of all rights given to the Insurer under the Indenture and this First Supplemental Indenture with respect to the giving of consents or approvals, the receipt of notices and the direction of proceedings or otherwise are expressly conditioned upon the timely and full performance of the obligations of the Insurer under the Bond Insurance Policy.

ARTICLE X

Miscellaneous

Section 10.01. First Supplemental Indenture as Part of Indenture. This First Supplemental Indenture shall be construed in connection with and as a part of the

Indenture and all terms, conditions and covenants contained in the Indenture, except as herein modified and except as restricted in the Indenture to Grant Receipts – PFC Obligations of another Series, shall apply and be deemed to be for the equal benefit, security and protection of the Bonds.

Section 10.02. Severability. If any provision of this First Supplemental Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 10.03. Payments Due on Saturdays, Sundays and Holidays. If any payment of interest or principal or premium on the Bonds is due on a date that is not a Business Day, payment shall be made on the next succeeding Business Day with the same force and effect as if made on the date which is fixed for such payment, and no interest shall accme on such amount for the period after such due date.

Section 10.04. Counterparts. This First Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrmment.

Section 10.05. Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be constmed as references to Sections or Articles of this instrmment as originally executed. Use of the words “herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter” and other equivalent words refer to this First Supplemental Indenture and not solely to the particular portion in which any such word is used.

Section 10.06. Captions. The captions and headings in this First Supplemental Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this First Supplemental Indenture.

Section 10.07. Applicable Law. This First Supplemental Indenture shall be govemed exclusively by and constmed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed in the State of Illinois.

IN WITNESS WHEREOF, the City has caused these presents to be executed in its name and with its official seal hereunto affixed and attested by its duly authorized officials; and to evidence its acceptance of the trusts hereby created, and the Trustee has caused these presents to be executed in its corporate name and with its corporate seal hereunto affixed and attested by its duly authorized officers, as of the date first above written.

CITY OF CHICAGO

By: _____
Chief Financial Officer

[SEAL]

Attest:

By: _____
City Clerk

_____,
as Trustee

By: _____
Authorized Signatory

[SEAL]

Attest:

By: _____
Authorized Signatory