



# Office of the City Clerk



O2012-5823

Office of the City Clerk

## City Council Document Tracking Sheet

|                                 |  |
|---------------------------------|--|
| <b>Meeting Date:</b>            | 9/12/2012  |
| <b>Sponsor(s):</b>              | Emanuel, Rahm (Mayor)  |
| <b>Type:</b>                    | Ordinance  |
| <b>Title:</b>                   | New Use Agreement and terminal facilities lease for Midway International Airport |
| <b>Committee(s) Assignment:</b> | Committee on Aviation  |

AVIAT



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

September 12, 2012

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

Ladies and Gentlemen:

At the request of the Commissioner of Aviation, I transmit herewith an ordinance authorizing the execution of a new use agreement and terminal facilities lease for Midway International Airport.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

  
Mayor



Handwritten text, possibly a signature or name, located below the stamp on the left side of the page.

Handwritten text, possibly a date or another signature, located below the stamp on the right side of the page.

## ORDINANCE

### **AUTHORIZING EXECUTION OF CHICAGO MIDWAY INTERNATIONAL AIRPORT AIRPORT USE AGREEMENT AND FACILITIES LEASE AND RELATED DOCUMENTS AND RELATED ACTIONS**

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

WHEREAS, the City owns and operates the airport known as Chicago Midway International Airport situated in the City of Chicago, County of Cook, State of Illinois ("Midway Airport"); and

WHEREAS, the City heretofore entered into Amended and Restated Airport Use Agreements and Facility Leases (the "Existing Use Agreements") with certain airlines; and

WHEREAS, the Existing Use Agreements will expire on December 31, 2012, so it is necessary and desirable for the City to enter into a new Chicago Midway International Airport Use Agreement and Facilities Lease (the "New Airport Use Agreement") with Southwest Airlines Co. ("Southwest"), Delta Air Lines, Inc., Porter Airlines Inc. and such other commercial airlines as are determined, from time to time during the term of the New Airport Use Agreement, by the Commissioner of the Chicago Department of Aviation (the "Commissioner") to be in the best interests of the City and Midway Airport (collectively, the "Airline Parties"); and

WHEREAS, the City has heretofore entered into an Agreement (the "Existing MATCO Agreement") with Midway Airlines Terminal Consortium, an Illinois not-for-profit corporation comprised of airlines operating at Midway Airport ("MATCO"), and, in connection with the execution of the New Airport Use Agreement, it is necessary and desirable to enter into a new agreement with MATCO (the "New MATCO Agreement"); and

WHEREAS, the City desires to enter into a Chicago Midway International Airport Facilities License for the Use of City-Controlled Facilities at Midway Airport ("City-Controlled Facilities License") with airlines which operate on City-controlled facilities at Midway Airport; and

WHEREAS, the City desires to enter into a Landing License (the "Landing License") with airlines and other air carriers which operate at Midway Airport; and

WHEREAS, the City has heretofore entered into certain agreements with respect to hangar facilities at Midway Airport (the "Existing Southwest Hangar Agreements") with Southwest, and the City and Southwest desire to enter into three new Hangar Facility Lease Agreements (the "New Southwest Hangar Leases") with respect to those three hangars at Midway Airport; and

WHEREAS, it is advisable and necessary to authorize the amendment, execution and delivery of such documents and agreements, and the performance of such acts, as shall be necessary in connection with the New Airport Use Agreements, now, therefore,



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

SECTION 1. Incorporation of Recitals. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Authorization of New Airport Use Agreement. The Mayor, upon the recommendation of the Commissioner and the approval of the Corporation Counsel as to form and legality, is authorized to enter into a New Airport Use Agreement with each of the Airline Parties for the lease of premises at Midway Airport, which New Airport Use Agreements shall be effective on January 1, 2013, unless a subsequent effective date is agreed to by the Commissioner and the Airline Party which signs a particular New Airport Use Agreement. The City Clerk is authorized and directed to attest and to affix the official seal of the City upon each of the New Airport Use Agreements. The New Airport Use Agreements shall be in substantially the same form as the agreement attached as Exhibit A to this ordinance, with such changes as are not inconsistent with this ordinance and are approved by the Mayor, the Mayor's execution of the New Airport Use Agreements to constitute conclusive evidence of the City Council of the City of Chicago's approval of any and all such changes. The Commissioner is hereby authorized to approve the Leased Premises of each Airline Party and to include in each New Airport Use Agreement Exhibit D describing the Leased Premises of the Airline Party which executes such New Airport Use Agreement as approved by the Commissioner.

SECTION 3. Authorization of New MATCO Agreement. The Mayor, upon the recommendation of the Commissioner and the approval of the Corporation Counsel as to form and legality, is authorized to enter into a New MATCO Agreement with MATCO. The City Clerk is authorized and directed to attest and to affix the official seal of the City upon the New MATCO Agreement. The New MATCO Agreement shall be in substantially the same form as the agreement attached as Exhibit B to this ordinance, with such changes as are not inconsistent with this ordinance and are approved by the Mayor, the Mayor's execution of the New MATCO Agreement to constitute conclusive evidence of the City Council of the City of Chicago's approval of any and all such changes.

SECTION 4. Authorization of City-Controlled Facilities License. The Commissioner is authorized to enter into a City-Controlled Facilities License with airlines approved by the Commissioner from time to time during the term of the New Airport Use Agreement to operate on City-controlled facilities at Midway Airport. The City-Controlled Facilities License shall be in substantially the same form as the agreement attached as Exhibit C to this ordinance, with such changes as are not inconsistent with this ordinance and are approved from time to time during the term of the New Airport Use Agreement by the Commissioner, the Commissioner's execution of a City-Controlled Facilities License to constitute conclusive evidence of the City Council of the City of Chicago's approval of any and all such changes.

SECTION 5. Authorization of Landing License. The Commissioner is authorized to enter into a Landing License with airlines and other air carriers which operate at Midway Airport and are approved by the Commissioner from time to time during the term of the New Airport Use Agreement to operate at Midway Airport. The Landing License shall be in substantially the same form as the agreement attached as Exhibit D to this ordinance, with such changes as are not inconsistent with this ordinance and are approved by the Commissioner from time to time during

the term of the New Airport Use Agreement, the Commissioner's execution of a Landing License to constitute conclusive evidence of the City Council of the City of Chicago's approval of any and all such changes.

SECTION 6. Authorization of New Southwest Hangar Leases. The Mayor, upon the recommendation of the Commissioner and the approval of the Corporation Counsel as to form and legality, is authorized to negotiate and enter into three New Southwest Hangar Leases with Southwest, which agreements shall supersede and terminate the Existing Southwest Hangar Agreements upon their effectiveness. The City Clerk is authorized and directed to attest and to affix the official seal of the City upon each of the New Southwest Hangar Leases. The New Southwest Hangar Leases shall have a term not-to-exceed fifteen years, and the rent thereunder shall be consistent with FAA rules and regulations and shall at least be equal to the rent payable under the respective Existing Southwest Agreements as negotiated with Southwest reflecting an appraisal process.

SECTION 7. Execution of Documentation; Additional Authorizations.

(a) The Mayor, the Commissioner and the Corporation Counsel (the "Authorized Officers"), and any other City officer as shall be designated by the Authorized Officers are each authorized, individually or jointly, to execute and deliver any and all agreements, documents, instruments or certificates as the executing officer shall deem necessary, advisable or appropriate in connection with the New Airport Use Agreements, the New MATCO Agreement, the City-Controlled Facilities License, the Landing License and the New Southwest Hangar Leases (collectively, the "Authorized Agreements"). To the extent this ordinance specifically provides for the Mayor's execution of a document referred to herein, the document may be executed by an Authorized Officer designated by the Mayor, such execution to constitute conclusive evidence of the City Council of the City of Chicago's approval of any and all changes to such document.

(b) In addition to the authorizations and approvals set forth in the preceding paragraphs of this ordinance, any of the Authorized Officers and any other City officer as shall be designated by any of the Authorized Officers are each hereby authorized and directed to do all such other acts and things as may be necessary, advisable or appropriate to carry out the purposes of the Authorized Agreements over the term of the New Airport Use Agreements or otherwise to carry out the intent and purposes of this ordinance. All of the acts of each officer which are in conformity with the intent and purposes of this ordinance, whether heretofore or hereafter taken or done shall be and the same are in all respects ratified, confirmed, authorized, and approved hereby in all respects.

SECTION 8. Conflict. To the extent that any ordinance, resolution, rule, order, or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall be controlling.

SECTION 9. Severability; Exercise of Home Rule Power. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. No provision of the Municipal Code of Chicago (the "Municipal Code") or violation of any provision of the Municipal Code shall be deemed to impair the validity of this ordinance or the

documents or instruments authorized by this ordinance or render any such documents or instruments voidable at the option of the City; provided further 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. This ordinance is an exercise of the City's power as a home rule unit of local government under Article VII of the 1970 Constitution of the State of Illinois and is intended to override any conflicting provision of any Illinois statute that does not specifically preempt the exercise of home rule power by the City.

SECTION 10. Effectiveness. This ordinance shall be in full force and effect from and after the date of its passage and approval.

# **EXHIBIT A**

---

**CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**AIRPORT USE AGREEMENT  
AND FACILITIES LEASE**

**BETWEEN**

**THE CITY OF CHICAGO**

**AND**

**[AIRLINE]**

---

## TABLE OF CONTENTS

|                   |  |           |
|-------------------|--|-----------|
| <b>ARTICLE 1:</b> | <b>DEFINITIONS .....</b>   | <b>2</b>  |
| Section 1.01:     | Definitions .....  | 2         |
| Section 1.02:     | Interpretation.....  | 14        |
| Section 1.03:     | Incorporation of Exhibits.....   | 15        |
| <b>ARTICLE 2:</b> | <b>TERM.....</b>   | <b>15</b> |
| Section 2.01:     | Term of Agreement .....  | 15        |
| Section 2.02:     | Surviving Agreements .....   | 16        |
| Section 2.03:     | Termination of Agreements.....   | 16        |
| <b>ARTICLE 3:</b> | <b>USES, RIGHTS AND PRIVILEGES .....</b>                                   | <b>16</b> |
| Section 3.01:     | Use of the Airport.....  | 16        |
| Section 3.02:     | Restrictions .....   | 18        |
| Section 3.03:     | Handling Arrangements.....   | 20        |
| <b>ARTICLE 4:</b> | <b>LEASE OF PREMISES .....</b>   | <b>20</b> |
| Section 4.01:     | Lease of Airline Premises.....   | 20        |
| Section 4.02:     | Substitution of Space; Surrender of Space; Additional Space.....           | 21        |
| Section 4.03:     | Assignment and Sublease .....  | 21        |
| Section 4.04:     | Quiet Enjoyment .....  | 22        |
| Section 4.05:     | Surrender .....  | 23        |
| Section 4.06:     | No Warranty of Condition or Suitability.....                               | 23        |
| Section 4.07:     | City's Title.....  | 23        |
| Section 4.08:     | City's Right of Entry .....  | 23        |
| <b>ARTICLE 5:</b> | <b>REALLOCATION OF SPACE .....</b>   | <b>24</b> |
| Section 5.01:     | General .....  | 24        |
| Section 5.02:     | Accommodation Through City-Controlled Facilities .....                     | 24        |
| Section 5.03:     | Consensual Accommodation .....   | 24        |
| Section 5.04:     | Accommodation Through Sharing and Temporary Use of Leased<br>Premises..... | 24        |
| Section 5.05:     | Priorities for Accommodation .....   | 26        |
| Section 5.06:     | Utilization Requirements.....  | 26        |
| Section 5.07:     | Revisions to Airline Leased Premises.....                                  | 27        |
| <b>ARTICLE 6:</b> | <b>TRANSITION PROVISIONS .....</b>   | <b>27</b> |
| <b>ARTICLE 7:</b> | <b>CREATION OF FUNDS.....</b>  | <b>27</b> |
| Section 7.01:     | Creation of Funds.....   | 27        |
| Section 7.02:     | Deposits into Funds.....   | 28        |
| Section 7.03:     | Uses of Funds.....   | 30        |
| <b>ARTICLE 8:</b> | <b>COST CENTERS; CALCULATION OF RENTALS, FEES AND<br/>CHARGES.....</b>     | <b>31</b> |
| Section 8.01:     | Cost Centers.....  | 31        |
| Section 8.02:     | Allocation Methodology.....  | 31        |

|                    |  |           |
|--------------------|--|-----------|
| Section 8.03:      | Landing Fees.....  | 32        |
| Section 8.04:      | Terminal Rentals.....  | 33        |
| Section 8.05:      | Terminal Ramp Fees .....   | 34        |
| Section 8.06:      | Net Requirement or Net Surplus of the Parking and Roadway Area.....  | 35        |
| Section 8.07:      | Net Requirement or Net Surplus of the Support Facilities Area .....  | 35        |
| Section 8.08:      | Deposits to the Airport Development Fund.....  | 36        |
| Section 8.09:      | Non-Signatory Fees and Charges.....  | 36        |
| Section 8.10:      | Equipment Fees.....  | 37        |
| Section 8.11:      | Fueling Fees.....  | 38        |
| Section 8.12:      | Example of Rate Methodology.....   | 39        |
| Section 8.13:      | FIS Cost Center and FIS Fees.....  | 39        |
| Section 8.14:      | City-Controlled Facilities .....   | 40        |
| <b>ARTICLE 9:</b>  | <b>PAYMENT OF RENTALS, FEES AND CHARGES.....</b>   | <b>40</b> |
| Section 9.01:      | Information on Airline Operations.....   | 40        |
| Section 9.02:      | Statement of Airline's Estimated Annual Airport Fees and Charges;<br>Payment of Airline Fees and Charges ..... | 41        |
| Section 9.03:      | Adjustment of Airline Fees and Charges.....  | 42        |
| Section 9.04:      | Statement of Airline's Actual Annual Airport Fees and Charges.....   | 42        |
| Section 9.05:      | Place of Payment; Late Payments.....   | 42        |
| Section 9.06:      | Security Deposits .....  | 43        |
| Section 9.07:      | Right to Contest; No Abatement or Set-off.....   | 45        |
| Section 9.08:      | No Other Fees and Charges .....  | 45        |
| Section 9.09:      | Airline Books and Records.....   | 45        |
| Section 9.10:      | City Books and Records.....  | 46        |
| <b>ARTICLE 10:</b> | <b>APPROVAL OF CAPITAL PROJECTS, OTHER PROJECTS<br/>AND THE ISSUANCE OF BONDS .....</b>                        | <b>46</b> |
| Section 10.01:     | Approval of the Capital Projects.....  | 46        |
| Section 10.02:     | Issuance of Bonds .....  | 48        |
| Section 10.03:     | Majority-in-Interest Approval for Additional Capital Projects .....  | 49        |
| Section 10.04:     | Authority to Issue Obligations to Fund Tenant Improvements .....   | 49        |
| Section 10.05:     | Other Projects and Obligations .....   | 50        |
| Section 10.06:     | Special Facility Financings.....   | 50        |
| <b>ARTICLE 11:</b> | <b>OBLIGATIONS OF THE AIRLINE AND THE CITY .....</b>   | <b>52</b> |
| Section 11.01:     | Operation, Maintenance, Replacement and Repair.....  | 52        |
| Section 11.02:     | Taxes, Licenses and Permits.....   | 53        |
| Section 11.03:     | Performance by the City upon Failure of the Airline.....   | 54        |
| Section 11.04:     | Performance by the Airline upon Failure of the City.....   | 54        |
| Section 11.05:     | Utilities .....  | 54        |
| Section 11.06:     | Midway Airlines' Terminal Consortium (MATCO).....  | 54        |
| <b>ARTICLE 12:</b> | <b>WORK.....</b>   | <b>55</b> |
| Section 12.01:     | Work in Connection with Capital Projects.....  | 55        |
| Section 12.02:     | Work in Connection with Airline Leased Premises.....   | 55        |
| Section 12.03:     | Grant of Construction Easement.....  | 56        |

|                    |  |           |
|--------------------|--|-----------|
| Section 12.04:     | Nondisturbance of Airport Tenants and Operations .....   | 57        |
| Section 12.05:     | Liens Prohibited .....   | 57        |
| Section 12.06:     | Compensation .....   | 58        |
| <b>ARTICLE 13:</b> | <b>INDEMNIFICATION AND INSURANCE.....</b>  | <b>60</b> |
| Section 13.01:     | Indemnification .....  | 60        |
| Section 13.02:     | Insurance.....   | 62        |
| Section 13.03:     | City's Insurance .....   | 66        |
| <b>ARTICLE 14:</b> | <b>DAMAGE, DESTRUCTION AND CONDEMNATION.....</b>   | <b>66</b> |
| Section 14.01:     | Damage to, Destruction or Condemnation of Airport.....   | 66        |
| Section 14.02:     | Untenantable Conditions .....  | 67        |
| <b>ARTICLE 15:</b> | <b>RULES AND REGULATIONS; COMPLIANCE WITH LAWS .....</b>   | <b>67</b> |
| Section 15.01:     | Rules and Regulations .....  | 67        |
| Section 15.02:     | Observance and Compliance with Laws .....  | 67        |
| Section 15.03:     | Compliance with Environmental Laws .....   | 68        |
| Section 15.04:     | Compliance with FAA Standards .....  | 69        |
| Section 15.05:     | Anti-Scofflaw.....   | 70        |
| Section 15.06:     | Ethics .....   | 70        |
| Section 15.07:     | Inspector General and Legislative Inspector General .....  | 70        |
| Section 15.08:     | Business Relationships With Elected Officials Municipal Code Section<br>2-156-030(b) .....   | 71        |
| Section 15.09:     | Shakman Accord.....  | 71        |
| Section 15.10:     | Prohibition on Certain Contributions, Mayoral Executive Order 2011-4 .....   | 72        |
| Section 15.11:     | No Waste Disposal in Public Way Municipal Code Section 11-4-<br>1600(E).....   | 72        |
| Section 15.12:     | Visual Artists Rights Act Waiver.....  | 73        |
| <b>ARTICLE 16:</b> | <b>DEFAULT, TERMINATION AND CHANGE OF LEASE TERM .....</b>   | <b>73</b> |
| Section 16.01:     | Events of Default .....  | 73        |
| Section 16.02:     | Termination by the City.....   | 76        |
| Section 16.03:     | Change of Lease Term .....   | 77        |
| Section 16.04:     | Pursuit of Remedies Against Defaulting Airline Parties.....  | 77        |
| Section 16.05:     | Termination by the Airline Prior to Payment of Bonds .....   | 77        |
| Section 16.06:     | Termination by the Airline After Payment of Bonds.....   | 78        |
| Section 16.07:     | Termination by the Airline in the Event of a New Airport .....   | 78        |
| Section 16.08:     | City and Airline Covenants Regarding Airport Operations;<br>Termination by the Airline upon Material Limitations on Operations;<br>Purchase of the Airline's Interest..... | 79        |
| Section 16.09:     | Removal of Airline Property.....   | 80        |
| Section 16.10:     | No Waiver by the City.....   | 81        |
| Section 16.11:     | Agreement to Pay Attorneys' Fees and Expenses .....  | 81        |
| Section 16.12:     | Force Majeure .....  | 81        |
| <b>ARTICLE 17:</b> | <b>GENERAL PROVISIONS.....</b>   | <b>81</b> |
| Section 17.01:     | Covenant Not to Grant More Favorable Terms .....   | 81        |

|                |  |    |
|----------------|--|----|
| Section 17.02: | PFCs to be held in Trust for the City .....                                      | 82 |
| Section 17.03: | Use of PFCs .....  | 83 |
| Section 17.04: | Compliance with Rule 15c2-12 of the Securities Exchange Act .....                | 83 |
| Section 17.05: | No Partnership or Agency .....   | 83 |
| Section 17.06: | No Personal Liability.....   | 83 |
| Section 17.07: | Notices.....   | 84 |
| Section 17.08: | Entire Agreement .....   | 84 |
| Section 17.09: | Amendment.....   | 84 |
| Section 17.10: | Applicable Law .....   | 84 |
| Section 17.11: | Authorization to Operate; Consent to Service of Process and<br>Jurisdiction..... | 85 |
| Section 17.12: | Severability .....   | 85 |
| Section 17.13: | Representatives .....  | 85 |
| Section 17.14: | Actions by the City and a Majority-in-Interest .....                             | 86 |
| Section 17.15: | Successors and Assigns .....   | 86 |
| Section 17.16: | Subordination to Bond Ordinance.....   | 86 |
| Section 17.17: | Certificate in Connection with Issuance of Bonds.....                            | 87 |
| Section 17.18: | No Third Party Beneficiaries .....   | 87 |
| Section 17.19: | Counterparts.....  | 87 |

## **EXHIBITS**

|           |   |
|-----------|---|
| Exhibit A | Plat of Midway International Airport                      |
| Exhibit B | Cost Centers  |
| Exhibit C | Outstanding Bonds   |
| Exhibit D | Leased Premises   |
| Exhibit E | Surviving Agreements                                      |
| Exhibit F | Aircraft Parking Positions                                |
| Exhibit G | Allocation Methodology                                    |
| Exhibit H | Description of Operation and Maintenance Responsibilities |
| Exhibit I | Form of Performance and Payment Bond                      |
| Exhibit J | Airline Project Procedures                                |
| Exhibit K | Capital Project Procedures                                |
| Exhibit L | Compliance with all Laws                                  |
| Exhibit M | Affirmative Action  |
| Exhibit N | Previously Approved Capital Projects                      |
| Exhibit O | Methodology of Calculating Rentals, Fees and Charges      |



**CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**AIRPORT USE AGREEMENT  
AND FACILITIES LEASE**

**THIS AGREEMENT**, made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between the **City of Chicago**, a municipal corporation and home rule unit of local government organized and existing under Article VII, Sections 1 and (6)(a), respectively, of the 1970 Constitution of the State of Illinois (the "**City**"), and the airline named on the signature page hereof (the "**Airline**"),

**WITNESSETH:**

**WHEREAS**, the City owns and operates the airport known as Chicago Midway International Airport (a plat of said airport being attached hereto as Exhibit A) situated in the City of Chicago, County of Cook, State of Illinois (hereinafter, together with any additions thereto or enlargements thereof, whether or not made with corporate funds of the City, Government Grants-in-Aid (as hereinafter defined), or any other funds of any nature whatsoever, referred to as the "**Airport**"), with the power to lease premises and facilities and to grant rights and privileges with respect thereto, all as hereinafter provided; and

**WHEREAS**, the Airline is engaged in the business of air transportation; and

**WHEREAS**, the City and certain airlines are parties to 1998 Use Agreements (as hereinafter defined) which are being superseded with agreements substantially similar in form and substance to this Agreement; and

**WHEREAS**, the Airline and the City desire to (i) enter into this Agreement for the lease of terminal space at the Airport and the granting to the Airline of certain rights and privileges with respect thereto, all as hereinafter provided, and (ii) supersede and terminate all existing agreements between the Airline and the City including the 1998 Use Agreement, if any, between the Airline and the City, except as described on Exhibit E; and

**WHEREAS**, the City is willing to lease space to the Airline and to grant rights and privileges with respect thereto to the Airline, upon the terms and conditions hereinafter provided; and

**WHEREAS**, the City and the Airline acknowledge that the continued operation of the Airport as a safe, convenient and attractive facility is vital to the economic health and welfare of the City, and that the City's right to monitor performance under this Agreement by the Airline is a valuable right incapable of quantification; and

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements herein contained, and other valuable consideration, the parties hereto covenant and agree as follows:

## ARTICLE 1: DEFINITIONS

### Section 1.01: Definitions

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

**“Adjusted for Inflation”** means, with respect to the amount to be Adjusted for Inflation, that such amount shall be adjusted each year after the first year by multiplying the amount applicable in the prior year by a factor of one (1) plus the percentage increase, if any, in the Producer Price Index during the most recently ended twelve-month period for which the Producer Price Index is available.

**“Affiliate”** means, with respect to the Airline, any other airline directly or indirectly controlling, controlled by, or under common control with, the Airline. The term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any airline (including the Airline), means the possession, directly or indirectly, of more than 50% of the voting power (or in the case of an airline that is not a corporation, more than 50% of the ownership interest, beneficial or otherwise) to direct or cause the direction of the management and policies of that airline, whether through voting, by contract or otherwise. For purposes of this definition, “voting power” of any airline (including the Airline) means the total number of votes which may be cast by the holders of the total number of outstanding shares of stock of any class or classes of such airline in any election of directors of such airline. The definition of “Affiliate” may be amended by the City upon approval of a Majority-in-Interest.

**“Agreement”** means this Airport Use Agreement and Facilities Lease, together with its Exhibits, as hereafter amended or supplemented from time to time in accordance with its terms.

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

**“Aircraft Parking Areas”** means those areas at the Airport designated for the parking, loading and unloading of aircraft, including all aircraft parking positions.

**“Airfield Area”** means the Cost Center of the same name described in Exhibit B, which includes the land identified as Airfield Area on Exhibit B, and, except as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including the Runways, Taxiways and facilities at the Airport for the purpose of controlling and assisting arrivals, departures and operations of aircraft using the Airport, such as control towers or other facilities operated and maintained by the FAA or any other federal agency, security fences, service roads, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from but related to the rest of the Airfield Area.

“**Airline**” means the airline named on the signature page hereof.

“**Airline Fees and Charges**” means, for any Fiscal Year, (a) all rentals, charges and fees and all other amounts payable hereunder by all Signatory Airlines for such Fiscal Year, after adjustment pursuant to Section 9.04 for such Fiscal Year and (b) with respect to an individual Signatory Airline, all rentals, charges and fees and all other amounts payable hereunder by such Signatory Airline for such Fiscal Year, after adjustment pursuant to Section 9.04 for such Fiscal Year.

“**Airline Project(s)**” means capital projects with respect to which the City has delegated the Work to the Airline pursuant to Section 12.01, which delegated capital projects may include Pre-Approved Capital Projects or other capital projects approved by a Majority-in-Interest.

“**Airline Project Contracts**” means Contracts in connection with or pursuant to the performance of Work on Airline Projects.

“**Airline Project Contractors**” means Contractors in connection with or pursuant to the performance of Work on Airline Projects.

“**Airlines’ Representative**” means the person so designated by a Majority-in-Interest by written notice to the Commissioner. Any such designation of the Airlines’ Representative shall remain in effect until revoked or modified by written notice to the Commissioner.

“**Airport**” means Chicago Midway International Airport as shown on Exhibit A, together with any additions thereto, or improvements or enlargements thereof, hereafter made.

“**Airport Development Fund**” means the Airport Development Fund created under Section 7.01.

“**Airport Use Agreement**” means (i) this Agreement and (ii) each other airport use agreement and facilities lease, with respect to the Airport, that is substantially the same as this Agreement (except with respect to Leased Premises and the term).

“**Annual Capital Maintenance Amount**” has the meaning set forth in Section 10.01.

“**Artwork**” means any work of visual art as defined in Section 101 of the Copyright Act.

“**Bond Ordinance**” means any ordinance or indenture or both adopted by the City Council of the City authorizing the issuance of notes, bonds or other obligations for the Airport and securing such obligations by a pledge of revenues or net revenues of the Airport, or any ordinance or indenture supplemental thereto.

“**Bonds**” means all notes, bonds or other obligations issued pursuant to and secured by a pledge of revenues or net revenues of the Airport under any Bond Ordinance. The term “Bonds” does not include other bonds, such as special facility revenue bonds or bonds secured solely by Passenger Facility Charge or Customer Facility Charge revenues pursuant to a separate indenture, which may be issued to finance capital projects at or related to the Airport.

**“Budgeted O&M Expenses”** has the meaning set forth in Section 8.08(b).

**“City”** means the City of Chicago, a municipal corporation and home rule unit of local government organized and existing under Article VII, Sections 1 and (6)(a), respectively, of the 1970 Constitution of the State of Illinois.

**“City-Controlled Facilities”** means those aircraft parking positions and areas (including overnight parking areas), Gates, holdrooms, ticket counters, baggage claim areas and related facilities which the City may from time to time retain under its exclusive control and possession pursuant to Section 5.02 and are not leased to an airline pursuant to an Airport Use Agreement.

**“Commissioner”** means the Commissioner of the Chicago Department of Aviation of the City, or any successor to the duties of such official.

**“Contractors”** means persons and firms hired by the Airline to act as agents or independent contractors in connection with or pursuant to the performance of this Agreement, including Airline Project Contractors.

**“Contracts”** means all contracts entered into by the Airline with any supplier of materials, furnisher of services, Contractor (including Airline Project Contractors) or any labor organization which furnishes skilled, unskilled and craft union skilled labor in connection with or pursuant to the performance of this Agreement.

**“Copyright Act”** means the U.S. Copyright Act (17 U.S.C. § 101 *et seq.*).

**“Cost Centers”** means the Airfield Area, the Terminal Area, the Terminal Ramp Area, the Parking and Roadway Area, the Support Facilities Area, the Equipment Cost Center, the Fueling Cost Center, the FIS Cost Center and the Indirect Cost Center.

**“Customer Facility Charge”** means the customer facility charge as authorized by the Illinois Vehicle Code (625 ILCS 5/6-305), or any successor law or provision, with respect to the Airport.

**“Daily Average Utilization”** has the meaning set forth in Section 5.06.

**“Debt Service”** means, for any Fiscal Year, the principal, interest and premium, if any, payable on Bonds, and other associated costs, including amounts in respect of debt service coverage not to exceed in any Fiscal Year 25% of the annual debt service for such Fiscal Year on such Bonds, and any amounts necessary to maintain the required balance in a debt service reserve fund or similar fund created pursuant to a Bond Ordinance, and any required deposits to any rebate or similar fund created pursuant to a Bond Ordinance, all Fund Deposit Requirements, as set forth in any Bond Ordinance, any letter of credit bank reimbursement obligations or municipal bond insurance obligations, sinking fund payments, call premiums, payments required by forward purchase agreements, remarketing fees, letter of credit fees, trustee fees, paying agent fees, replenishment of funds and any other costs and fees payable in connection with such Bonds.

**“Deplaned Passengers”** means all terminating and all incoming on-line transfer and off-line transfer revenue passengers arriving at the Airport. The term “Deplaned Passengers” does not include through passengers.

**“Effective Date”** means the Effective Date as described in Section 2.01.

**“Emergency Reserve Fund”** means the Emergency Reserve Fund created under Section 7.01.

**“Enplaned Passengers”** means all originating and all outgoing on-line transfer and off-line transfer revenue passengers departing from the Airport. The term “Enplaned Passengers” does not include through passengers.

**“Environmental Laws”** means all laws relating to environmental matters, including those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery compensation, losses or injuries resulting from the release or threatened release of Hazardous Materials and to the generation, use, storage, transportation, or disposal of Hazardous Materials, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*), the Hazardous Material Transportation Act (49 U.S.C. § 1801 *et seq.*), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq.*), the Clean Water Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 *et seq.*), the Safe Drinking Water Act (42 U.S.C. § 300f-§ 300j-11 *et seq.*), the Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq.*), the Illinois Environmental Protection Act (415 ILCS 5/1 *et seq.*) and the Municipal Code, each as heretofore and hereafter amended or supplemented, and any analogous future or present local, state or federal statutes, rules and regulations promulgated thereunder or pursuant thereto, and any other present or future law, ordinance, rule, regulation, permit or permit condition, order or directive regulating, relating to or imposing liability standards of conduct concerning any Hazardous Material or Special Wastes or by the federal government, any state or any political subdivision thereof, or any agency, court or body of the federal government, any state or any political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions.

**“Equipment Cost Center”** means the Cost Center of the same name described in Exhibit B.

**“Equipment Fees”** means, with respect to each Signatory Airline, the Equipment Fees calculated pursuant to Section 8.10 of such Signatory Airline’s Airport Use Agreement.

**“Equipment Fee Rate”** means, for any Fiscal Year, the Equipment Fee Rate established for such Fiscal Year pursuant to Article 8.

**“Event of Default”** means, with respect to each Signatory Airline, an Event of Default as defined in Section 16.01.

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

**“Federal Bankruptcy Code”** means 11 U.S.C. § 101 *et seq.*

**“Joint Use Premises”** has the meaning set forth in Section 4.01.

**“Leased Premises”** has the meaning set forth in Section 4.01.

**“FIS Cost Center”** means the Cost Center which includes the FIS Facility and which is identified as the FIS Cost Center on Exhibit B.

**“FIS Facility”** means the facilities at the Airport provided for the United States Customs Service, the United States Immigration and Naturalization Service, the United States Department of Health and Human Services, and the United States Department of Agriculture, and any successor departments or services thereto, for the processing of arriving international passengers, and other facilities at the Airport related thereto.

**“FIS Fees”** means, with respect to each Signatory Airline, the FIS Fees calculated pursuant to Section 8.13 of such Signatory Airline’s Airport Use Agreement.

**“FIS Facility Debt Service”** means, for any Fiscal Year, the principal, interest and premium payable on Bonds issued by the City and allocated by the City to the FIS Cost Center for such Fiscal Year, and other associated costs (including amounts necessary to maintain the required balance in a debt service reserve fund or similar fund created pursuant to the terms of an applicable indenture or ordinance, and any required deposits to any rebate or similar fund created pursuant to an applicable indenture or ordinance, any letter of credit bank reimbursement obligations or municipal bond insurance obligations, sinking fund payments, call premiums, payments required by forward purchase agreements, remarketing fees, letter of credit fees, trustee fees, paying agent fees, replenishment of funds and any other costs and fees payable in connection with such obligations) allocated by the City to the FIS Cost Center for such Fiscal Year.

**“Fiscal Year”** means January 1 through December 31 of any year or such other fiscal year as the City may adopt for the Airport.

**“Fuel”** means jet fuel, aviation gasoline, automotive fuel, and any other materials used in or put through the Fuel System for use in connection with the use of aircraft or service vehicles.

**“Fuel System”** means the fuel storage and distribution facilities for the storage and distribution of Fuel at the Airport.

**“Fueling Cost Center”** means the Cost Center of the same name described in Exhibit B.

**“Fueling Fees”** means, with respect to each Signatory Airline, the Fueling Fees calculated pursuant to Section 8.11 of such Signatory Airline’s Airport Use Agreement.

**“Fueling Fee Rate”** means, for any Fiscal Year, the Fueling Fee Rate established for such Fiscal Year pursuant to Article 8.

**“Fund Deposit Requirement”** means the fund deposit requirements described in Section 7.02(c) for the Funds described therein.

**“Funds”** means the funds created pursuant to (i) Section 7.01 or (ii) any Bond Ordinance.

**“Gate”** means any portion of the Leased Premises designated as a Gate on Exhibit D or any portion of the City-Controlled Facilities designated as a Gate by the City, as applicable.

**“Government Grants-in-Aid”** means those moneys granted to the City by the United States of America or any agency thereof, or the State of Illinois, or any political subdivision or agency thereof, to pay all or a portion of the cost of a capital project at or related to the Airport.

**“Hazardous Materials”** means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum or crude oil or any fraction thereof, natural gas, source material, special nuclear material and byproduct materials regulated under the Atomic Energy Act (42 U.S.C. § 2011, *et seq.*), pesticides regulated under the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. § 136, *et seq.*), and any hazardous waste, toxic or dangerous substance or related material, including any material defined or treated as a “hazardous substance,” “hazardous waste,” “toxic substance” or contaminant (or comparable term) under any of the Environmental Laws.

**“Identified Party”** means any of the following: (i) a person who or entity (for the purposes of this definition only, a “City Contractor”) that has submitted a bid for or enters into an agreement with the City that is (A) formed under the authority of Municipal Code Chapter 2-92, (B) for the purchase, sale or lease of real or personal property, or (B) for materials, supplies, equipment or services which are approved and/or authorized by the City Council of the City; (ii) a person or entity who directly or indirectly has an ownership or beneficial interest in a City Contractor of more than 7.5% and the spouse or domestic partner of any such person; (iii) a subcontractor of a City Contractor; and (iv) a person or entity who directly or indirectly has an ownership or beneficial interest in a subcontractor of a City Contractor of more than 7.5% and the spouse or domestic partner of any such person.

**“Independent Airport Consultant”** means a third-party 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 a director, officer or employee of either the City or any Signatory Airline.

**“Indirect Cost Center”** means the Cost Center of the same name described in Exhibit B.

**“Investment Income”** means any interest on, and any profit realized from the investment of, moneys in any Fund.

**“Joint Use Premises”** means, at any time, for each Signatory Airline, those portions of its Leased Premises in the Terminal Area which, pursuant to Article 4 of such Signatory

Airline's Airport Use Agreement, are then leased to such Signatory Airline and designated as Joint Use Premises.

**"Landing Fee"** means, with respect to each Signatory Airline, the Landing Fee calculated pursuant to Section 8.03 of such Signatory Airline's Airport Use Agreement.

**"Landing Fee Rate"** means, for any Fiscal Year, the Landing Fee Rate established for such Fiscal Year pursuant to Article 8.

**"Leased Premises"** means, at any time, for each Signatory Airline, those portions of the Terminal Area which, pursuant to Article 4 of such Signatory Airline's Airport Use Agreement are then leased to such Signatory Airline.

**"Majority-in-Interest"** means, during any Fiscal Year, any one or more Signatory Airlines which, in the aggregate (i) paid fifty-one percent (51%) or more of the Airline Fees and Charges charged to all Signatory Airlines for the prior Fiscal Year; and (ii) represent at least fifty-one percent (51%) in number of the Signatory Airlines. Solely for the purpose of determining a Majority-in-Interest, (A) no airline shall be deemed to be a Signatory Airline so long as an Event of Default with respect to such airline has occurred and is continuing or if such airline is no longer operating at the Airport (except if such airline's cessation of operations results from a temporary suspension by the FAA), and (B) only Signatory Airlines having Airport Use Agreements with terms expiring on December 31, 2027, shall be deemed to be Signatory Airlines.

**"MATCO"** means the Midway Airlines' Terminal Consortium, formed to construct the Fuel System at the Airport and to operate and maintain certain airline equipment and the Fuel System at the Airport, pursuant to the MATCO Agreement.

**"MATCO Agreement"** means the agreement between the City and MATCO effective as of January 1, 2013, as amended and as such agreement may be hereinafter amended in accordance with its term.

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

**"Mayor"** means the Mayor of the City.

**"Municipal Code"** means the Municipal Code of the City at the time in effect.

**"Net Requirement of the Indirect Cost Center"** means, for any Fiscal Year, O&M Expenses allocated to the Indirect Cost Center for such Fiscal Year.

**"Net Requirement or Net Surplus of the Parking and Roadway Area"** means, for any Fiscal Year, the amount calculated as such for such Fiscal Year pursuant to Section 8.06.

**"Net Requirement or Net Surplus of the Support Facilities Area"** means, for any Fiscal Year, the amount calculated as such for such Fiscal Year pursuant to Section 8.07.



**“1998 Use Agreement”** means an airport use agreement and facilities lease substantially the same as the Chicago Midway Airport Use Agreement and Facilities Lease between the City and Southwest Airlines dated as of July 1, 1998.

**“Non-Airline Revenues”** means, for any Fiscal Year, all Revenues except Landing Fees, Terminal Rentals, Terminal Ramp Fees, Equipment Fees, Fueling Fees and FIS Fees other than such rentals and fees which had been reasonably determined unpaid when due for purposes of inclusion in the calculation of Airline Fees and Charges and which are later collected, in whole or in part, by the City, together with any interest paid thereon pursuant to Section 9.06.

**“Non-Signatory Airline”** means any airline using the Airport which is not a Signatory Airline.

**“Non-Signatory Landing Fee”** has the meaning set forth in Section 8.09.

**“Non-Signatory Landing Fee Rate”** means, for any Fiscal Year, the Non-Signatory Landing Fee Rate established for such Fiscal Year pursuant to Section 8.09.

**“Non-Signatory Revenues”** means, for any Fiscal Year, all Revenues derived from Non-Signatory Airlines.

**“O&M Fund”** means the O&M Fund created under Section 7.01.

**“O&M Reserve Account”** means the O&M Reserve Account in the O&M Fund created under Section 7.01.

**“Operation and Maintenance Expenses”** (sometimes abbreviated as **“O&M Expenses”**) means, for any Fiscal Year, the costs incurred by the City in operating and maintaining the Airport during such Fiscal Year, either directly or indirectly, including (without limitation, but exclusive of such expenses as may be capitalized in connection with a capital project):

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

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

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

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

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

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

(g) the amount of any judgment or settlement arising as a result of the City's ownership, operation and maintenance of the Airport payable by the City during said Fiscal Year, including the amount of any judgment or settlement arising as a result of claims, actions, proceedings or suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, property damage, personal injury or similar claims, actions, proceedings or suits based upon the environmental impacts, including those resulting from the use of the Airport for the landing and taking off of aircraft;

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

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

(j) compensation paid or credited to persons or firms appointed or engaged, from time to time, by the City or by Signatory Airlines as approved by a Majority-in-Interest and the City to render advice and perform architectural, engineering, construction management, financial, legal, accounting, testing, consulting or other professional services in connection with the operation, expansion, alteration, reconstruction, betterment or other improvement of the Airport or any of its structures or facilities;

(k) any other cost incurred or allocated to the Airport necessary to comply with any valid rule, regulation, policy or order of any federal, state or local government, agency or court;

(l) any amounts due and owing to the City, its agents, officers and employees under the MATCO Agreement, including any amounts due and owing as a result of a failure of MATCO to perform any of its obligations under the MATCO Agreement, including Exhibit F thereto and Articles VII and VIII thereof pertaining to indemnity, insurance and environmental obligations of MATCO, which amounts MATCO has failed to pay within 30 days following written notification from the City to MATCO; and

(m) all other direct and indirect expenses, whether similar or dissimilar, which arise out of the City's ownership, operation or maintenance of the Airport, including any taxes payable by the City which may be lawfully imposed upon the Airport by entities other than the City.

**“Operation and Maintenance Fund”** (sometimes abbreviated as **“O&M Fund”**) means the Operation and Maintenance Fund created under Section 7.01.

**“Other Contract”** has the meaning set forth in Section 15.10.

**“Outstanding Bonds”** means the bonds listed in the attached Exhibit C.

**“Parking and Roadway Area”** means the Cost Center of the same name described in Exhibit B.

**“Passenger Facility Charge”** (sometimes abbreviated as **“PFC”**) means the passenger facility charge as authorized under 49 U.S.C. § 40117, or any predecessor or successor law, and as approved by the FAA from time to time with respect to the Airport.

**“Producer Price Index”** (sometimes abbreviated as **“PPI”**) means the Producer Price Index/All Commodities published by the United States Department of Labor, Bureau of Labor Statistics (1982 = 100). If the manner in which the PPI is determined by the Department of Labor is substantially revised, the City shall adjust the revised index in a manner which would produce results equivalent, as nearly as possible, to those which would have been obtained if the method of determining the PPI had not been revised. If the PPI is discontinued or otherwise becomes unavailable to the public, the City shall substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or department, or if no such index is available, a comparable index published by a recognized financial institution, financial publication, or university.

**“Public Use Premises”** means, at any time, all areas of the Terminal Area which are not Leased Premises or City-Controlled Facilities and which consist of, among other things, areas for passenger movement, concession areas, basement areas, City offices and operations areas, public restrooms, public waiting areas, entrances, exits, chases and building support areas not open to the general public (such as mechanical and electrical areas, janitor closets, and heating and refrigeration facilities).

**“Repair and Replacement Fund”** means the Repair and Replacement Fund created under Section 7.01.

**“Revenue Fund”** means the Revenue Fund created under Section 7.01.

**“Revenue Landing”** means any landing at the Airport of an aircraft except (i) an aircraft which (without being scheduled to do so) lands at the Airport because of meteorological conditions, mechanical or operating causes, or any emergency or precautionary reason, or (ii) an aircraft which is owned by and used exclusively in the service of the United States of America or the government of any state, territory or possession thereof or therein.

**“Revenues”** means, for any Fiscal Year, except to the extent hereinafter excluded, all revenues, payments, proceeds, fees, charges, rent and all other income of any nature, including investment income, derived directly or indirectly by or for the City for such Fiscal Year for the use of, and for the services and facilities furnished by, or from the operation or ownership of, or with respect to the Airport, and any proceeds of business interruption insurance and any other

insurance proceeds which are deemed to be revenues in accordance with generally accepted accounting principles; *provided, however*, that the following shall not be included in Revenues:

(a) the proceeds of any Passenger Facility Charge, any Customer Facility Charge or any other similar charge levied by or on behalf of the City;

(b) any grants, gifts, bequests, contributions or donations, including any such funds provided by any person or entity, including an airline, doing business at the Airport;

(c) the proceeds from the sale, transfer or other disposition of title by the City to all or any part of the Airport;

(d) the proceeds of any taxes collected at the Airport;

(e) the proceeds of any condemnation award or insurance received by the City except condemnation awards and insurance proceeds which are deemed to be revenues in accordance with generally accepted accounting principles;

(f) the proceeds of any court or arbitration award or settlement in lieu thereof received by the City except (i) awards or settlements which are deemed to be revenues in accordance with generally accepted accounting principles or (ii) awards or settlements which constitute reimbursements for costs previously incurred as O&M Expenses;

(g) payments to the City in respect of debt service payable on any obligations (other than Bonds) issued by the City pursuant to Section 10.07;

(h) the proceeds of any bonds or other indebtedness of the City;

(i) payments to the City of the principal of and interest, if any, on any loan made by the City for Airport purposes from any of the funds created pursuant to or required by any Bond Ordinance; and

(j) any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use.

**“Risk Manager”** means the City of Chicago, Comptroller’s Office of Risk Management, or any successor agency thereto.

**“Rules and Regulations”** means the rules and regulations governing the conduct and operation of the Airport promulgated by the Commissioner in accordance with Section 15.01.

**“Runways”** means runways at the Airport for the landing and taking-off of aircraft.

**“Securities Exchange Act”** means the Securities Exchange Act of 1934.

**“Signatory Airline”** means, at any time, the Airline and each other person actively engaged in an Air Transportation Business at the Airport who then is a party to an Airport Use Agreement with the City.

**“Special Facility”** means a building or facility at the Airport, or an improvement to such building or facility, or portion thereof, constructed, installed, equipped or acquired with (i) the proceeds of the sale of Special Facility obligations (other than Bonds) issued by the City pursuant to Section 10.06; (ii) other funds provided by the user or developer thereof or by any other person; or (iii) a combination of the foregoing items (i) and (ii).

**“Special Project Fund”** means the Special Project Fund created under Section 7.01.

**“Special Wastes”** means those substances as defined in Section 1003.45, ch. 111 ½ of the Illinois Environmental Protection Act, and as further referred to in Section 809.13 of 35 Illinois Administrative Code, Subtitle G, ch. 1.

**“Statement of Airline’s Actual Annual Fees and Charges”** means the statement of the same name prepared by the City pursuant to Section 9.04.

**“Statement of Airline’s Estimated Annual Fees and Charges”** means the statement of the same name prepared by the City pursuant to Section 9.02.

**“Support Facilities Area”** means the Cost Center of the same name described in Exhibit B.

**“Taxiways”** means taxiways and taxilanes at the Airport for the ground movement of aircraft to, from and between the Runways, Aircraft Parking Areas and other portions of the Airport.

**“Terminal”** means the airline passenger terminal and related facilities at the Airport identified on Exhibit B.

**“Terminal Area”** means the Cost Center of the same name described in Exhibit B, which includes the land identified as Terminal Area on Exhibit B, and, except as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, holdroom areas, passenger loading bridges and control towers maintained by the City or an airline; *provided* that the Terminal Area shall not include the FIS Facility and any land, facilities, equipment or improvement that are part of or related to the FIS Facility.

**“Terminal Ramp Area”** means the Cost Center of the same name described in Exhibit B.

**“Terminal Ramp Fee”** means, with respect to each Signatory Airline, the Terminal Ramp Fee calculated pursuant to Section 8.05 of such Signatory Airline’s Airport Use Agreement.

“**Terminal Ramp Rate**” means, for any Fiscal Year, the Terminal Ramp Rate established for such Fiscal Year pursuant to Article 8.

“**Terminal Rentals**” means, with respect to each Signatory Airline, the Terminal Rentals calculated pursuant to Section 8.04 of such Signatory Airline’s Airport Use Agreement.

“**Terminal Rental Rate**” means, for any Fiscal Year, the Terminal Rental Rate established for such Fiscal Year pursuant to Article 8.

“**Transfer**” means a Transfer as defined in Section 4.03(a).

“**Trust Account**” has the meaning set forth in Section 17.02(b).

“**Waste Sections**” has the meaning set forth in Section 15.11.

“**Work**” means collectively the planning, design, fabrication, installation, construction, start-up, testing, maintenance and repair.

### **Section 1.02: Interpretation**

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

(b) The term “including” shall be construed to mean “including, without limitation.”

(c) All references in this Agreement to Articles, Sections, subsections, clauses, provisions, sentences or Exhibits, unless otherwise expressed or indicated, are to Articles, Sections, subsections, clauses, provisions, sentences or Exhibits of this Agreement and to the same Articles, Sections, subsections, clauses, provisions, sentences and Exhibits of each other Signatory Airline’s Airport Use Agreement.

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

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

(f) Words importing the singular shall include the plural and vice versa. Words of the masculine gender shall be deemed to include correlative words of the feminine and neuter genders.

(g) All references to a number of days shall mean calendar days, unless otherwise expressly indicated.

(h) Unless specified otherwise, a reference to a law is considered to be a reference to (i) such law as it may be amended, modified or supplemented from time to time, (ii) all regulations and rules pertaining to or promulgated pursuant to such law, (iii) the successor to the law resulting from recodification or similar reorganizing of laws and (iv) all future laws pertaining to the same or similar subject matter.

### **Section 1.03: Incorporation of Exhibits**

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

|           |   |
|-----------|---|
| Exhibit A | Plat of Midway International Airport                      |
| Exhibit B | Cost Centers  |
| Exhibit C | Outstanding Bonds   |
| Exhibit D | Leased Premises   |
| Exhibit E | Surviving Agreements                                      |
| Exhibit F | Aircraft Parking Positions                                |
| Exhibit G | Allocation Methodology                                    |
| Exhibit H | Description of Operation and Maintenance Responsibilities |
| Exhibit I | Form of Performance and Payment Bond                      |
| Exhibit J | Airline Project Procedures                                |
| Exhibit K | Capital Project Procedures                                |
| Exhibit L | Compliance with all Laws                                  |
| Exhibit M | Affirmative Action  |
| Exhibit N | Previously Approved Capital Projects                      |
| Exhibit O | Methodology of Calculating Rentals, Fees and Charges      |

Any changes that occur from time to time pursuant to the terms of this Agreement shall be reflected in revised Exhibits provided by the City to the Airline. Such revisions shall be deemed effective without requiring a formal amendment to this Agreement.

## **ARTICLE 2: TERM**

### **Section 2.01: Term of Agreement**

Subject to execution and delivery by both the Airline and the City, and to the provisions of Article 6, this Agreement shall become effective and binding upon the parties hereto as of January 1, 2013 (the “**Effective Date**”). If, however, the City and the Airline execute this Agreement after December 31, 2012, the Effective Date shall be such date as is mutually agreed to by the City and the Airline and reflected on the signature pages of this Agreement. Subject to earlier termination pursuant to the provisions of Article 16, this Agreement shall terminate on December 31, 2027.

## **Section 2.02: Surviving Agreements**

As of the Effective Date, except for those agreements and leases listed on Exhibit E, all prior agreements or leases between the City and the Airline with respect to the Airport shall be deemed terminated and shall be of no further force or effect.

## **Section 2.03: Termination of Agreements**

Upon the effective date of an agreement (other than an Airport Use Agreement) approved by a Majority-in-Interest and the City setting forth the rights and obligations of the Signatory Airlines in connection with rentals, charges or fees paid with respect to the Airport, each Airport Use Agreement, if any, effective as of such date shall terminate.

# **ARTICLE 3: USES, RIGHTS AND PRIVILEGES**

## **Section 3.01: Use of the Airport**

The Airline and the City acknowledge and agree that the Airline is performing an important service to users of the Airport which is vital for the economic development of the City. Subject to the terms of this Agreement, the restrictions contained in Section 3.02, the Rules and Regulations and all other applicable laws, rules, regulations, codes, ordinances and orders and the rights of the City to monitor the Airline's compliance with this Agreement in order to ensure that the Airport operates in the most effective and efficient way possible, the Airline shall have the right to conduct an Air Transportation Business at the Airport and to perform only those operations and functions as are incidental or reasonably necessary to the conduct of the Airline's Air Transportation Business and as would be permitted at similarly situated airports. Specifically, the Airline shall have the right:

(a) to land, take off, fly, taxi, tow, park, load and unload the Airline's aircraft and other equipment of the Airline used by the Airline in the operation of scheduled, shuttle, courtesy, test, training, inspection, emergency, special, charter, sightseeing and other flights, including the right to load and unload the Airline's aircraft upon its assigned aircraft parking positions;

(b) to use the aircraft parking positions described on Exhibit F, subject to the provisions of Article 5;

(c) to transport, load and unload airline crews and other personnel, passengers, cargo, baggage, property and mail to, from and at the Airport by such loading and unloading devices, automobiles, buses, trucks and such other means of conveyance as the Airline may choose or require in connection with its Air Transportation Business at the Airport and at such locations as the Commissioner may designate;

(d) to the extent necessary, to repair, maintain, condition, service, tow, test, park and store aircraft and other equipment of the Airline in areas designated for such purposes by the Commissioner and on the conditions and terms designated by the Commissioner;



(e) to maintain and operate office facilities for general, administrative, operations and other functions associated with the Airline's Air Transportation Business;

(f) to enplane and deplane passengers, handle reservations, ticketing, billing and manifesting of passengers, and handle baggage, express mail and shipments, cargo, property and mail;

(g) of ingress to and egress from the Airport including the Airline's Leased Premises, for the Airline's employees, agents, passengers, Contractors, guests, patrons, invitees, suppliers of materials and providers of service, and its or their equipment, vehicles, machinery and other property; *provided, however,* that the foregoing shall not preclude the City from (i) subjecting such persons to the City's then-current Rules and Regulations, including those pertaining to airport security, (ii) requiring such persons to enter into an agreement with the City, or (iii) imposing any tax, charge, or permit or license fee;

(h) to install, subject to the prior approval of the City, and to maintain and operate, alone or in conjunction with any other air transportation company or companies, or through a nominee, such radio, communications, flight information display systems, meteorological and aerial navigation equipment, facilities and associated wiring, as may be necessary or convenient for the Airline's Air Transportation Business at the Airport, in or on the Airline's Leased Premises, and at other locations at the Airport;

(i) to use, in common with others so authorized, the public address system serving the Terminal Area and the aircraft parking positions;

(j) to use water and electric power, telephone and preconditioned air systems supplied by the City at or adjacent to the Airline's Leased Premises; and to purchase, install, use and maintain, at the Airline's aircraft parking positions, loading bridges and mobile stair devices for the loading, unloading and general servicing of the Airline's aircraft, 400 Hertz auxiliary power systems, air start systems and other miscellaneous aircraft and aircraft-related support equipment and facilities;

(k) to purchase or otherwise obtain services and personal property of any nature, including aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel, propellants, food and beverages, including food and beverages for consumption aloft, passenger supplies and other materials, equipment, supplies, articles and goods, used or acquired by the Airline in connection with or incidental to the Airline's Air Transportation Business at the Airport;

(l) to erect, maintain and station security devices and to conduct a security check operation of passengers, baggage and packages in the Airline's Leased Premises and in public areas of the Terminal Area approved by the Commissioner;

(m) to use the areas designated as airline employee parking facilities for the parking of its employees' vehicles pursuant to an operating agreement, lease or other arrangement containing such reasonable terms and conditions and subject to the payment of such reasonable fees as the City shall determine;

(n) to station its employees or agents in the Airline's Leased Premises and in other areas of the Airport approved by the Commissioner to provide baggage check-in or skycap services, subject to compliance with the Airport's rules and regulations, including security requirements;

(o) subject to the Commissioner's approval, to install, maintain and use flight information display screens, identifying signs and the Airline's logo in the Airline's Leased Premises; *provided, however*, that posters, displays and other materials which advertise the services offered by the Airline to the traveling public ("**Promotional Materials**") may be allowed in the Airline's Leased Premises on a short-term, limited basis, so long as the Airline has given the City five (5) days prior written notice of its intent to place such Promotional Materials in its Leased Premises together with a copy of the materials proposed to be used, and the City has not objected in writing to the Airline's use of such Promotional Materials within such five (5) day period. The City reserves the right to place advertising displays in all areas of the Airport that are visible to the public excluding the Airline's Leased Premises;

(p) except to the extent inconsistent with any concession agreement with respect to the Airport between the City and a concessionaire at the Airport, (i) to operate and maintain in the Airline's Leased Premises, Airline-sponsored passenger clubs where the Airline may serve alcoholic or other beverages to members of such clubs (*provided, however*, that unless the Commissioner shall otherwise consent, (A) the Airline may not serve food to members in such clubs and (B) no charge shall be made by the Airline for beverages or food furnished by it in such clubs), and (ii) to serve in the Airline's holdroom areas, non-alcoholic beverages, and, with the consent of the Commissioner, food, to its passengers without charge;

(q) to install, maintain and operate, in the Airline's Leased Premises, customer relations, security and waiting room facilities and equipment; reservations offices; administrative offices; crew base facilities; operations offices; lockers, restrooms and related facilities for its employees; baggage, cargo and mail handling and storage facilities and equipment;

(r) to train personnel in the employ of the Airline at the Airport; and

(s) subject to the provisions of the MATCO Agreement, to use the Fuel System for the receipt, distribution, storage, handling, purchase, sale and dispensing of Fuel for aircraft, vehicles and equipment operated by the Airline.

### **Section 3.02: Restrictions**

All rights of the Airline hereunder are subject to the following specific restrictions:

(a) The grant of such rights does not authorize the Airline to conduct a separate business at the Airport, but permits the Airline to conduct such activities only insofar as they are necessary or incidental to the conduct of the Airline's Air Transportation Business at the Airport and to the conduct of handling arrangements approved pursuant to Section 3.03.

(b) Other than for the provision of air transportation services and except as specifically authorized in Section 3.01(p), (i) the Airline shall not use or permit the use of any portion of its Leased Premises for the purpose of selling, offering for sale, dispensing or

providing any merchandise, product or services and (ii) nothing contained herein is intended to or shall be construed to authorize or permit the Airline to conduct any activity or to operate any direct or indirect business operation which in any manner competes with any authorized concession activity at the Airport without the approval of the City and the payment to the City of concession fees.

(c) The Commissioner may, from time to time, temporarily or permanently close roadways, doorways and, subject to the following sentence, any other area at the Airport; *provided, however*, that, if time permits, the Airline shall be consulted with regard to such closings in order to minimize the disruption of services being provided. In addition, upon not less than one hundred twenty (120) days prior written notice to the Airline, the Commissioner may, from time to time, temporarily or permanently, close Taxiways, Runways and ramp areas at the Airport; *provided* that in an emergency situation or if the closure will be for forty-eight (48) hours or less, no such prior notice of closure shall be required. Except in an emergency situation or if the closure will be for forty-eight (48) hours or less, not less than fourteen (14) days prior to the closure of any Taxiway, Runway or ramp area at the Airport, the Commissioner shall confirm to the Airline in writing the dates of such closure.

(d) The Commissioner may prohibit the use of any portion of the Airfield Area by any aircraft operated or controlled by the Airline which exceeds the design strength of the paving of the runways and taxiways at the Airport, or any other standard design criteria.

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

(f) The Airline shall not do or authorize to be done anything at the Airport (i) which may constitute a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement or (ii) which will invalidate or conflict with any insurance policies covering the Airport of which the City has provided notice to the Airline or the Airline is otherwise aware. If, by reason of any failure on the part of the Airline to comply with the provisions of this Agreement, the cost of any such insurance or extended coverage is, in the view of the City, at any time higher than it otherwise would be, then the Airline shall pay the City that part of all premiums paid by the City which are charged because of such violation or failure by the Airline.

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

(h) As soon as possible, after obtaining any necessary approval from appropriate governmental agencies, the Airline shall remove any of its disabled aircraft from the Airfield Area upon the request of the City. The Airline shall place and/or store any such disabled aircraft only in such hangar facilities as may be leased or owned by the Airline at the Airport and/or in such storage areas as may be designated by the City, in which latter event such storage shall be

only upon such reasonable terms and conditions as at that time may be established by the City, consistent with any directives of the FAA and the National Transportation Safety Board. In the event the Airline shall fail to remove any of its disabled aircraft as expeditiously as possible, the City may, but shall not be obligated to, cause the removal of such disabled aircraft by any reasonable means; *provided, however*, the City shall give the Airline reasonable prior notice of its intent to do so. If the City removes, or causes another to remove the Airline's disabled aircraft, the Airline shall pay to the City, upon receipt of an invoice, the costs incurred for such removal, including the cost of labor. The Airline shall also pay any damages incurred by, or imposed upon the City, resulting from the removal by the City or another of such disabled aircraft.

(i) The Airline may not load or unload an all-cargo aircraft on the ramp areas adjacent to the Terminal Area facilities.

(j) The Airline shall not use, store, transport, or dispose of any fuels, oil, grease, lubricants, or other Hazardous Materials to, from, within, or upon the Airport in a manner which violates any of the Environmental Laws.

### **Section 3.03: Handling Arrangements**

(a) For so long as the Airline actively conducts an Air Transportation Business at the Airport, the Airline may use, subject to the provisions of Section 3.03(b) and to the prior written consent of the Commissioner (which consent shall not be unreasonably withheld), its Leased Premises and adjacent Terminal Ramp Area for the handling of the air transportation operations of any other air transportation company or companies using the Airport to the same extent as they may be used for the operations of the Airline; *provided, however*, that the Airline shall be liable for such handling operations to the same extent as any other activities under the terms of this Agreement. The handling operations shall be subject to compliance with all applicable FAA and City standards.

(b) The Commissioner's consent to a handling arrangement pursuant to Section 3.03(a) will be for a term of no more than three years. At the end of any such term, a handling arrangement shall be deemed to be terminated unless the Airline sends written notice to the City at least thirty (30) days prior to the expiration of the term of the handling agreement that the Airline intends to extend the term of the handling agreement for a period of no more than two years and the Commissioner consents in writing to such extension of the handling agreement.

## **ARTICLE 4: LEASE OF PREMISES**

### **Section 4.01: Lease of Airline Premises**

Commencing on the Effective Date, the City hereby leases to the Airline, subject to the provisions of Article 5, the Leased Premises described and shown on Exhibit D, including the Joint Use Premises described and shown on Exhibit D.

#### **Section 4.02: Substitution of Space; Surrender of Space; Additional Space**

(a) Any revision to the Airline's Leased Premises at any time shall be reflected in a revised Exhibit D approved by the Commissioner and the Airline, which revision shall not be deemed to be an amendment to this Agreement.

(b) Subject to the provisions of Section 8.04, any space in the Airport leased to the Airline in substitution for or as additional space to be included among the Leased Premises shall be included in space leased hereunder on the same terms and conditions and at the same rental per square foot of such substituted or additional space, as is herein provided for the category of the space as to which such substitution or addition occurs.

#### **Section 4.03: Assignment and Sublease**

(a) The Airline covenants that it will not assign, sublet, transfer, convey, sell, mortgage, pledge or encumber (any of the foregoing events being referred to as a "**Transfer**") the Leased Premises or assigned aircraft parking positions or any part thereof, or any rights of the Airline hereunder or any interest of the Airline in this Agreement, nor will the Airline allow the use of such Leased Premises or assigned aircraft parking positions hereunder by any other person, except as otherwise provided in this Agreement, without in each instance having first obtained the prior written consent of the City as set forth below. In determining whether or not to consent to a Transfer, the City will take into account, among other factors, the balanced utilization of the Airport facilities and operational considerations relating to the proposed transferee. The consent of the City Council of the City on behalf of the City shall be required for any Transfer of (i) all of Airline's Leased Premises, (ii) all rights of the Airline hereunder or (iii) all of the Airline's interest in this Agreement. The consent of the Commissioner on behalf of the City shall be required for any other Transfer. Consent by the City to any type of Transfer described in this Section 4.03 or elsewhere in this Agreement shall not in any way be construed to relieve the Airline from obtaining further authorization from the City for any subsequent Transfer of any nature whatsoever. As a condition to the City's consent to a proposed sublease, the proposed sublessee shall execute a license agreement between the sublessee and the City in a form acceptable to the City.

(b) In the event that the Airline subleases any of its Leased Premises pursuant to this Section 4.03, the Airline shall charge the sublessee no more than the sum of the following:

- (i) an amount equal to a pro rata share of the sum of the Terminal Rentals and Terminal Ramp Fees payable by the Airline with respect to such areas during the period of such sublease as calculated herein; and
- (ii) additional amounts sufficient for the Airline to recover its direct costs, if any, of such sublease, including a reasonable allocation of tenant improvement costs and equipment costs for property and equipment owned by the Airline, which additional amounts shall not exceed 15 percent of the sublessee's pro rata share of Terminal Rentals and Terminal Ramp Fees; *provided, however*, that in the event the Airline's direct costs exceed 15 percent of the sublessee's pro rata share of Terminal Rentals

and Terminal Ramp Fees, the Airline shall have the right to petition the Commissioner for approval of an increase in the applicable percentage, which approval shall be in the sole discretion of the Commissioner;

*provided* that (A) in any case, the rates charged by the Airline hereunder shall not be less than the rates charged by the City for the use of City-Controlled Facilities, and (B) the Commissioner shall have the right to waive or amend the restrictions contained in this subsection on the Airline's sublease charges.

(c) Notwithstanding any Transfer with or without City consent, the Airline shall remain fully liable for the payment of all of its Airline Fees and Charges and fully responsible for the performance of all of its other obligations hereunder.

(d) Any and all requests by the Airline for consent under Section 4.03(a) shall be made in writing by certified mail to the City and shall include copies of the proposed documents of Transfer. Said documents of Transfer shall completely disclose any and all considerations made or to be made to the Airline for said Transfer.

(e) If any Transfer shall occur, whether or not prohibited by this Section 4.03, the City may collect Airline Fees and Charges from any assignee, sublessee or other transferee of the Airline and in such event shall apply the net amount collected to the Airline Fees and Charges payable by the Airline hereunder without such action by the City releasing the Airline from this Agreement or any of its obligations hereunder. If any Transfer prohibited by this Section 4.03 shall occur without the consent of the City and the City collects Airline Fees and Charges from any assignee, sublessee or other transferee of the Airline and applies the net amount collected in the manner described in the preceding sentence, such actions by the City shall not be deemed to be a waiver of the covenant contained in this Section 4.03 or constitute acceptance of such assignee, sublessee or transferee by the City.

(f) Any sublease or assignment shall require the sublessee or the assignee to be bound by all of the terms and provisions of this Agreement and other applicable requirements external to this Agreement imposed by the City on Signatory Airlines. For purposes of interpretation of the immediately preceding sentence, in all provisions of this Agreement and other airport requirements applicable to the "Sublessee" or the "Assignee" including Section 13.01 of this Agreement requiring that the City, its elected and appointed officials, officers, agents and employees be indemnified, reference to the "Airline" shall be deemed to refer to the Sublessee or Assignee.

(g) Any sublease or assignment under this Section 4.03 must expressly name the City as a third-party beneficiary of the sublessee's or the assignee's obligations under the sublease or the assignment and granted a direct right of enforcement thereunder to the City.

#### **Section 4.04: Quiet Enjoyment**

The City covenants, unless otherwise provided by this Agreement, that, if the Airline shall perform all obligations and make all payments as provided herein, the Airline shall peaceably have and enjoy the Leased Premises and all the rights, privileges, appurtenances and facilities granted herein.

#### **Section 4.05: Surrender**

The Airline covenants and agrees to yield and deliver peaceably to the City possession of the Leased Premises on the date of the cessation of the lettings hereunder, whether such cessation be by termination, expiration or otherwise, promptly and in as good condition as at the commencement of the lettings, reasonable wear and tear excepted or, if improved, in as good condition as of the completion date of the last improvement made to the Leased Premises, reasonable wear and tear excepted.

#### **Section 4.06: No Warranty of Condition or Suitability**

EXCEPT AS OTHERWISE PROVIDED HEREIN, THE CITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE LEASED PREMISES OR THAT THE LEASED PREMISES SHALL BE SUITABLE FOR THE AIRLINE'S PURPOSES OR NEEDS. THE CITY SHALL NOT BE RESPONSIBLE FOR ANY LATENT DEFECT AND THE AIRLINE SHALL NOT, UNDER ANY CIRCUMSTANCES, WITHHOLD ANY RENTALS OR OTHER AMOUNTS PAYABLE TO THE CITY HEREUNDER ON ACCOUNT OF ANY DEFECT IN THE LEASED PREMISES. BY ITS ENTRY ONTO THE LEASED PREMISES, THE AIRLINE ACCEPTS THE LEASED PREMISES AS BEING FREE AND CLEAR FROM ALL DEFECTS AND IN GOOD, SAFE, CLEAN AND ORDERLY CONDITION AND REPAIR.

#### **Section 4.07: City's Title**

Subject to the provisions of Section 4.04 hereof, the City's title to the Leased Premises and the Airport is and always shall be paramount to the interest of the Airline in the Leased Premises. Nothing herein contained empowers the Airline to commit or engage in any act which can, shall or may encumber the title of the City.

#### **Section 4.08: City's Right of Entry**

The City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right at all reasonable times to enter the Airline's Leased Premises for the purpose of inspecting the same, for emergency repairs to utilities systems, for environmental testing in accordance with Section 15.03, and for any other purpose necessary for or incidental to or connected with the performance of the City's obligations hereunder, or in the exercise of its governmental functions or in the City's capacity as Airport owner. The City shall, to the extent permitted under applicable law, preserve the confidentiality of all information obtained through such inspections, unless the Airline has consented to disclosure or has publicly released such information.

## **ARTICLE 5: REALLOCATION OF SPACE**

### **Section 5.01: General**

The City intends to maintain a policy of providing open access to the Airport and achieving a balanced utilization of Airport facilities. To achieve that goal, the City has (a) retained under its exclusive possession and control the City-Controlled Facilities (Section 5.02, below); (b) established procedures for the consensual reallocation of space and accommodation among airlines (Section 5.03, below); (c) reserved to the City the right to require sharing and temporary use of Leased Premises (Section 5.04, below); (d) established priorities to accommodate requests for facilities by airlines seeking to expand their present service at the Airport or airlines seeking entry into the Airport (Section 5.05, below); and (e) established certain utilization requirements (Section 5.06, below).

### **Section 5.02: Accommodation Through City-Controlled Facilities**

(a) The City may retain under its exclusive control and possession certain City-Controlled Facilities. It is the intent of the City to use, at its discretion, any City-Controlled Facilities to accommodate (i) Signatory Airlines whose premises have been relocated by the City as a result of reconstruction, renovation or maintenance by the City; (ii) airlines not requiring permanent facilities or airlines requiring temporary accommodation pending allocation of permanent facilities; and (iii) other space requirements of Signatory Airlines and Non-Signatory Airlines. The Airline may request and the City may grant to the Airline the right to use, in common with other airlines designated by the City, City-Controlled Facilities subject to the payment by the Airline of a fee to the City determined by the City for such use, which fee shall be reasonable in relationship to the costs of such facilities.

(b) The allocation of City-Controlled Facilities shall be determined periodically by the City in accordance with its Rules and Regulations.

### **Section 5.03: Consensual Accommodation**

If an airline, including an airline seeking to expand its present service at the Airport or an airline seeking entry into the Airport, is in need of space or facilities, which need has not been satisfied by use of the City-Controlled Facilities, the City shall direct such airline to request in writing the use of the space or facilities of Signatory Airlines. The Signatory Airlines receiving such a request shall make reasonable efforts to accommodate such requests and shall respond to any such request in writing within ten (10) business days of receipt of the request. If such response is a denial of the request, the response shall state specific and detailed reasons for such denial.

### **Section 5.04: Accommodation Through Sharing and Temporary Use of Leased Premises**

(a) In the event (i) the City receives a written request from an airline requesting space or facilities at the Airport, (ii) the requesting airline demonstrates to the City that it has contacted all Signatory Airlines and has exhausted all reasonable efforts to find reasonable accommodation for its proposed operations and the space or facilities it needs, and (iii) the City determines that



such requesting airline needs the requested space or facilities to accommodate passengers or aircraft and such need cannot be met by use of City-Controlled Facilities, if any, the City may grant such requesting airline, in accordance with the priorities set forth in Section 5.05, the right of temporary or shared use of all or a designated portion of an Airline's Leased Premises, as may be required. An offer or accommodation by a Signatory Airline which conditions providing requested space or facilities upon the payment of rentals to such Signatory Airline in excess of the applicable amount set forth in Section 4.03(b) of this Agreement shall be deemed unreasonable for purposes of clause (ii) above; *provided, however*, that if the Signatory Airline's documented direct costs exceed the applicable amount set forth in Section 4.03(b) hereof, the Airline shall have the right to petition the Commissioner for approval of the rentals being required of such requesting airline, which approval shall be in the sole discretion of the Commissioner.

(b) In the event the City determines that a requesting airline's needs require granting such requesting airline the right to share or temporarily use the Leased Premises of one or more Signatory Airlines, the City shall serve written notice to each affected Signatory Airline of that determination and notice of the City's intention to make a further determination, in not less than thirty (30) days, as to how the requesting airline will be accommodated.

(c) In accordance with the priorities set forth in Section 5.05 and in accordance with Rules and Regulations, the City may grant the requesting airline the right of shared or temporary use of all or a designated portion of the Airline's Leased Premises, including rights of ingress and egress, the right to use the aircraft parking positions adjacent to such portion of the Airline's Leased Premises and the right to use loading bridges and other appurtenant equipment which are reasonably necessary for the effective use of such premises, and the Airline shall accommodate such requesting airline on all or such portion of the Airline's Leased Premises in a commercially reasonable manner, taking into account the nature of both the Airline's and the requesting airline's operations, which manner of accommodation shall be subject to the approval of the Commissioner; *provided that*:

- (i) the requesting airline has furnished a certificate of insurance evidencing insurance of the types and with the limits and deductibles required to be carried by the Airline hereunder and endorsed to include the Airline as an additional insured;
- (ii) the requesting airline has provided the Airline with indemnification reasonably satisfactory to the Airline; *provided, however*, that the Airline may not require any indemnification more favorable to it than that which it provides to the City hereunder;
- (iii) the requesting airline has provided the Airline with a security deposit reasonably satisfactory to the Airline;
- (iv) the requesting airline has provided the City with indemnification reasonably satisfactory to the City together with a security deposit equal to ninety (90) days of estimated fees and charges payable to the City with respect to such airline's operations;

- (v) the requesting airline's proposed use does not result in an actual or threatened strike, boycott, picketing, slow-down, work-stoppage or other type of labor action; and
- (vi) the requesting airline has agreed to pay the Airline (on reasonable payment terms), the applicable amount set forth in Section 4.03(b).

**Section 5.05: Priorities for Accommodation**

(a) If the City receives a request from an airline seeking to expand its present service at the Airport or an airline seeking entry into the Airport, the City shall accommodate such request by:

- (i) providing access to City-Controlled Facilities in accordance with the provisions of Section 5.02;
- (ii) encouraging such airline to request consensual accommodation from Signatory Airlines pursuant to Section 5.03; and
- (iii) invoking the accommodation provisions of Section 5.04.

(b) In designating the specific Leased Premises for temporary or shared use by the requesting airline the City shall take into account the following (in the following order of importance):

- (i) the number of total daily scheduled departing seats from each Gate;
- (ii) scheduling considerations;
- (iii) union work rules;
- (iv) aircraft parking position locations; and
- (v) other operational considerations.

(c) The City shall consult with the Airline in designating the specific Leased Premises of the Airline to be utilized by a requesting airline. In any event, if the Airline is required to share its Leased Premises, it shall have priority in all aspects of usage of such shared premises over all other airlines.

**Section 5.06: Utilization Requirements**

(a) The Airline shall maintain a Daily Average Utilization with respect to the Airline's Gates of at least 1,000 scheduled departing seats per day per Gate. "**Daily Average Utilization**" shall mean with respect to the Airline's Gates the average number of departing seats per day per Gate that is part of the Airline's Leased Premises calculated by dividing the total scheduled departing seats from the Airline's Gates published for sale to the public by the Airline in any normal seven (7) consecutive day period by seven (7); *provided, however*, that in the

event that the Airline's actual total weekly departing seats from the Airport are materially less than the published scheduled departing seats for any four (4) seven (7) consecutive day periods within a calendar quarter, the City shall have the right to use the actual total weekly departing seats for purposes of the calculation pursuant to this Subsection 5.06(a). For purposes of calculating the Daily Average Utilization standards as set forth in this Section 5.06(a), the City shall include in such calculation the departing seats per day of the Airline, any airline that is an Affiliate of the Airline, any other airlines that are being handled by the Airline on the Airline's Leased Premises pursuant to a handling agreement between the Airline and any such other airline, and any airline that is a code-share partner of the Airline so long as the flights of such code-share partner from the Airport are operated solely under the designation of the Airline.

(b) In the event that the Airline does not meet the applicable level of activity with respect to the Airline's Leased Premises, the City may from time to time, upon thirty (30) days' prior written notice to the Airline, terminate this Agreement with respect to, and delete from, the Airline's Leased Premises, that number of the Airline's Gates as may be necessary to cause the Airline to meet the Daily Average Utilization standard for its Gates.

(c) In the event that the City deletes any of the Airline's Gates pursuant to this Section 5.06, the City shall also have the right to terminate this Agreement with respect to, and delete from, the Airline's Leased Premises, an appropriate amount of square feet of other Leased Premises of the Airline that the City deems reasonably necessary for the efficient utilization of such deleted Gates.

#### **Section 5.07: Revisions to Airline Leased Premises**

Any revision to the Airline's Leased Premises pursuant to this Article 5 shall be reflected in a revised Exhibit D, as is appropriate, approved by the Commissioner, which revision shall not be deemed to be an amendment to this Agreement.

### **ARTICLE 6: TRANSITION PROVISIONS**

The Airline and the City acknowledge and agree that upon execution and delivery of this Agreement by the Airline, the rates and charges then in effect for the Airline's use of the Airport will be reset and adjusted, retroactive to the Effective Date, so that such rates and charges are calculated in accordance with the provisions of this Agreement, except that no such retroactive adjustment will be made with respect to amounts, if any, theretofore included in the calculation of Airline's Airline Fees and Charges in respect of the Fund Deposit Requirements for the Repair and Replacement Fund.

### **ARTICLE 7: CREATION OF FUNDS**

#### **Section 7.01: Creation of Funds**

(a) The City has created the following Funds:

- (i) Revenue Fund;
- (ii) O&M Fund, including an O&M Reserve Account;
- (iii) Repair and Replacement Fund;
- (iv) Emergency Reserve Fund;
- (v) Special Project Fund; and
- (vi) Airport Development Fund.

(b) Amounts held in all Funds shall be used for the purposes set forth in this Agreement and any Bond Ordinance.

(c) To the extent a Bond Ordinance creates any Fund Deposit Requirements to be funded from Landing Fees, Terminal Ramp Fees, Terminal Rentals, Equipment Fees or Fueling Fees that, in the aggregate, are greater than the Fund Deposit Requirements set forth herein, a Majority-in-Interest of the Signatory Airlines shall have the right to approve such Fund Deposit Requirements. The Fund Deposit Requirement provisions of a Bond Ordinance shall be deemed approved by a Majority-in-Interest of the Signatory Airlines if a Majority-in-Interest does not disapprove of a draft of such provisions (in substantially the form ultimately adopted in the Bond Ordinance) in writing to the City within forty-five (45) days of the submission of the draft to the Signatory Airlines.

#### **Section 7.02: Deposits into Funds**

(a) At any time when a pledge of Revenues under a Bond Ordinance is not in effect, all Revenues collected by the City shall be promptly deposited into the Revenue Fund, and any amounts deposited in the Revenue Fund at any time shall be disbursed and applied by the City as required to make the following deposits on the following dates and in the following amounts with respect to each Fiscal Year.

- (i) By the first business day immediately preceding the tenth (10th) day of each month, the City shall deposit into the O&M Fund one-twelfth (1/12) of the projected O&M Expenses for such Fiscal Year plus one-twelfth (1/12) of the Fund Deposit Requirements (if any) for the O&M Reserve Account; *provided, however,* that if, in accordance with Section 9.03, the City adjusts the remaining monthly Airline Fees and Charges for such Fiscal Year, the amount required to be deposited in the O&M Fund each month of the remaining portion of such Fiscal Year shall be increased or decreased as appropriate.
- (ii) On the first business day immediately preceding the first (1st) and one hundred eighty-second (182nd) day of such Fiscal Year, the City shall make the following deposits in the manner and order of priority set forth below:

First: The City shall deposit into the Repair and Replacement Fund an amount equal to one-half (½) of the Fund Deposit Requirement for the Repair and Replacement Fund for such Fiscal Year.

Second: The City shall next deposit into the Emergency Reserve Fund an amount equal to one-half (½) of the Fund Deposit Requirement for the Emergency Reserve Fund for such Fiscal Year.

Third: The City shall next deposit into the Special Project Fund an amount equal to one-half (½) of the Fund Deposit Requirement for the Special Project Fund for such Fiscal Year.

(iii) The City shall deposit into the Airport Development Fund the amounts required to be deposited therein for such Fiscal Year pursuant to Section 8.08.

(b) At any time when a pledge of Revenues under a Bond Ordinance is in effect, all Revenues collected by the City shall be applied as set forth in the Bond Ordinance.

(c) The Fund Deposit Requirements for each Fund and/or account for each Fiscal Year shall be as follows:

(i) The Fund Deposit Requirement for the O&M Reserve Account of the O&M Fund shall equal the amount which together with the balance in the O&M Reserve Account shall be equal to one-sixth (1/6) of the projected O&M Expenses for such Fiscal Year.

(ii) The Fund Deposit Requirement for the Repair and Replacement (R&R) Fund shall equal \$ \_\_\_\_\_ Adjusted for Inflation.

(iii) The Fund Deposit Requirement for the Emergency Reserve Fund shall equal \$ \_\_\_\_\_ for the Fiscal Year ending December 31, 2013. For each Fiscal Year thereafter, the Fund Deposit Requirement for the Emergency Reserve Fund shall equal the amount necessary to bring the balance in the Emergency Reserve Fund up to the Required Balance for such Fiscal Year. The Required Balance shall be \$ \_\_\_\_\_ Adjusted for Inflation.

(iv) For each Fiscal Year, the Fund Deposit Requirement for the Special Project Fund shall equal the amount designated by a Majority-in-Interest to be expended on capital projects approved by a Majority-in-Interest.

(d) If at any time when deposits are required to be made to any Funds pursuant to this Section 7.02, moneys held in the Revenue Fund are insufficient to make any such required deposit, the deposit shall be made on the next applicable deposit date after required deposits into all other Funds of higher priority are made in full.

### Section 7.03: Uses of Funds

The moneys on deposit in the Funds described in this Article 7 shall be used in accordance with the provisions of this Agreement and the Bond Ordinance.

(a) Any balance in the Revenue Fund after the deposits and transfers set forth herein shall remain in the Revenue Fund and shall be available only (i) to meet deficiencies arising in any of the Funds in the order of their priority and (ii) to make future deposits and transfers required hereunder.

(b) The moneys in the O&M Fund, including the O&M Reserve Account, shall be used by the City to pay O&M Expenses.

(c) The moneys in the Repair and Replacement (R&R) Fund shall be used for paying the cost of maintenance expenditures, such as costs incurred for major repairs, renewals and replacements at the Airport whether caused by normal wear and tear or by unusual and extraordinary occurrences, including costs of painting, major repairs, renewals and replacements, damage caused by storms or other unusual causes.

(d) The moneys in the Emergency Reserve Fund shall be used for the following purposes:

(i) In the event any payment on account of any awards, judgments or settlements resulting from any of the events described in Section 13.01 becomes due and payable in any Fiscal Year, the City shall withdraw from the Emergency Reserve Fund an amount equal to the lesser of (1) the amount of such payment or (2) the balance of the Emergency Reserve Fund and shall apply such amount to such payment, before including any amounts attributable thereto as O&M Expenses in the calculation of Airline Fees and Charges.

(ii) In the event there are, in any Fiscal Year, amounts owed by any Signatory Airline to the City that are unpaid when due and reasonably deemed uncollectible by the City after collection efforts have been undertaken in accordance with Section 9.05(c), the City shall make payments out of the Emergency Reserve Fund to pay such amounts before including such amounts in the calculation of Airline Fees and Charges.

(e) The moneys in the Special Project Fund shall be used for payment of capital projects approved by a Majority-in-Interest.

(f) The moneys in the Airport Development Fund may be used by the City for any lawful Airport purpose in the City's sole discretion. All investment income on moneys held in the Airport Development Fund shall remain in such account, subject to the foregoing uses.

## **ARTICLE 8: COST CENTERS; CALCULATION OF RENTALS, FEES AND CHARGES**

### **Section 8.01: Cost Centers**

In order to allocate the net cost of operating, maintaining and developing the Airport among all of the Signatory Airlines, the following Cost Centers have been created hereunder:

- (a) Airfield Area;
- (b) Terminal Area;
- (c) Terminal Ramp Area;
- (d) Parking and Roadway Area;
- (e) Support Facilities Area;
- (f) Equipment Cost Center;
- (g) Indirect Cost Center;
- (h) Fueling Cost Center; and
- (i) FIS Cost Center.

The City may elect, with approval of a Majority-in-Interest, to create additional cost centers in the future with appropriate fees related thereto. In connection therewith, the Commissioner shall have the right to enter into and execute, on behalf of the City, any amendment to this Agreement reflecting the creation of any such additional cost centers and the charging of fees related thereto, without any further action of the City or the City Council of the City.

### **Section 8.02: Allocation Methodology**

In order to calculate Airline Fees and Charges, the City shall account for, and allocate between the Cost Centers set forth in Exhibit G, O&M Expenses, Debt Service, Fund Deposit Requirements and Non-Airline Revenues. The City shall further allocate the Net Requirement of the Indirect Cost Center, the Net Requirement or Net Surplus of the Parking and Roadway Area and the Net Requirement or Net Surplus of the Support Facilities Area to the Cost Centers set forth in Exhibit G. All such allocations of expenses and revenues shall be in accordance with the allocation methodology described in Exhibit G. The aggregate of Airline Fees and Charges payable by all Signatory Airlines, together with Non-Airline Revenues and amounts paid from the Airport Development Fund pursuant to Section 8.08, for each Fiscal Year shall be sufficient to pay for the cost of operating, maintaining and improving the Airport, and to satisfy all of the City's obligations to make all deposits and payments under this Agreement and any Bond Ordinance.

Notwithstanding the foregoing, the City may change the allocation of amounts between the Cost Centers during the term of this Agreement with approval of a Majority-in-Interest.

**Section 8.03: Landing Fees**

(a) For each Fiscal Year, the Landing Fee for each Revenue Landing of an aircraft operated by the Airline shall be an amount equal to the product of (i) the number of thousands of pounds of the Maximum Approved Gross Landing Weight of the aircraft involved in the Revenue Landing, multiplied by (ii) the Landing Fee Rate for such Fiscal Year.

(b) The Landing Fee Rate for any Fiscal Year shall be determined (to the nearest 1/10th of one cent (\$.001) per each one thousand (1,000) pounds) by dividing the Airfield Area requirement for such Fiscal Year calculated pursuant to Section 8.03(c), by the total Maximum Approved Gross Landing Weight in thousand-pound units of all aircraft of all Signatory Airlines landed in Revenue Landings during such Fiscal Year.

(c) The Airfield Area requirement for each Fiscal Year shall be an amount equal to the sum of, for such Fiscal Year:

- (i) O&M Expenses of the Airfield Area;
- (ii) the Net Requirement of the Indirect Cost Center allocated to the Airfield Area;
- (iii) Debt Service allocated to the Airfield Area;
- (iv) Fund Deposit Requirements allocated to the Airfield Area;
- (v) any Landing Fees payable by any Signatory Airline determined to be unpaid when due in accordance with Section 9.05 (net of (A) any security deposit then held by the City that the City has applied to the payment of such Landing Fees as set forth in Section 9.06 and (B) payments of such Landing Fees out of the funds in the Emergency Reserve Fund pursuant to Section 7.03(e)(ii));
- (vi) the Net Requirement of the Parking and Roadway Area, if any, allocated to the Airfield Area;
- (vii) the Net Requirement of the Support Facilities Area, if any; and
- (viii) the Fueling Cost Center requirement for such Fiscal Year, includible in the Airfield Area requirement for such Fiscal Year pursuant to Section 8.11(d);

minus, for such Fiscal Year,

- (i) Non-Airline Revenues of the Airfield Area, including Non-Signatory Landing Fees calculated in accordance with Section 8.09(a);



- (ii) the Net Surplus of the Parking and Roadway Area, if any, allocated to the Airfield Area; and
- (iii) the Net Surplus of the Support Facilities Area, if any.

**Section 8.04: Terminal Rentals**

(a) The Airline's Terminal Rentals for each Fiscal Year for its Leased Premises other than its Joint Use Premises shall be an aggregate amount equal to the product of (i) the number of square feet of the Airline's Leased Premises other than its Joint Use Premises, multiplied by (ii) the Terminal Rental Rate for such Fiscal Year.

(b) For each Fiscal Year, Terminal Rentals for any Leased Premises leased by the Airline pursuant to Section 4.01 as Joint Use Premises shall be determined as follows:

- (i) The number of square feet of Joint Use Premises leased by the Signatory Airlines shall be multiplied by the Terminal Rental Rate for such Fiscal Year to obtain the Joint Use Premises requirement for such Fiscal Year.
- (ii) Ten percent (10%) of the Joint Use Premises requirement for such Fiscal Year shall be divided equally between all Signatory Airlines leasing the Joint Use Premises.
- (iii) Ninety percent (90%) of the Joint Use Premises requirement for such Fiscal Year shall be divided between all Signatory Airlines leasing the Joint Use Premises in the proportion that the number of thousands of pounds of the Maximum Approved Gross Landing Weight of each aircraft of each such Signatory Airline involved in Revenue Landings during such Fiscal Year bears to the total Maximum Approved Gross Landing Weight in thousand pound units of all aircraft of all such Signatory Airlines landed in Revenue Landings during such Fiscal Year.

(c) The Terminal Rental Rate for any Fiscal Year shall be determined by dividing the Terminal Area requirement for such Fiscal Year calculated pursuant to Section 8.04(d), by the total number of square feet of Leased Premises (including Joint Use Premises) of all Signatory Airlines.

(d) The Terminal Area requirement for each Fiscal Year shall be an amount equal to the sum of, for such Fiscal Year:

- (i) O&M Expenses of the Terminal Area;
- (ii) the Net Requirement of the Indirect Cost Center allocated to the Terminal Area;
- (iii) Debt Service allocated to the Terminal Area;
- (iv) Fund Deposit Requirements allocated to the Terminal Area;

- (v) the Net Requirement of the Parking and Roadway Area, if any, allocated to the Terminal Area;
- (vi) the Equipment Cost Center requirement for such Fiscal Year, includible in the Terminal Area requirement for such Fiscal Year pursuant to Section 8.10(d); and
- (vii) any Terminal Rentals payable by any Signatory Airline determined to be unpaid when due in accordance with Section 9.05 (net of (A) any security deposit then held by the City that the City has applied to the payment of such Terminal Rentals as set forth in Section 9.06 and (B) payments of such Terminal Rentals out of funds in the Emergency Reserve Fund pursuant to Section 7.03(e)(ii));

minus, for such Fiscal Year,

- (i) Non-Airline Revenues of the Terminal Area, including City-Controlled Facilities fees charged in accordance with Section 8.14 and allocated to the Terminal Area; and
- (ii) the Net Surplus of the Parking and Roadway Area, if any, allocated to the Terminal Area.

**Section 8.05: Terminal Ramp Fees**

(a) For each Fiscal Year, the Airline's Terminal Ramp Fee shall be an aggregate amount equal to the product of (i) the number of square feet of Aircraft Parking Area assigned to the Airline, multiplied by (ii) the Terminal Ramp Rate for such Fiscal Year.

(b) The Terminal Ramp Rate for any Fiscal Year shall be determined by dividing the Terminal Ramp Area requirement for such Fiscal Year calculated pursuant to Section 8.05(c), by the total number of square feet of Aircraft Parking Area assigned to all Signatory Airlines.

(c) The Terminal Ramp Area requirement for each Fiscal Year shall be an amount equal to the sum of, for such Fiscal Year:

- (i) O&M Expenses of the Terminal Ramp Area;
- (ii) the Net Requirement of the Indirect Cost Center allocated to the Terminal Ramp Area;
- (iii) Debt Service allocated to the Terminal Ramp Area;
- (iv) Fund Deposit Requirements allocated to the Terminal Ramp Area;
- (v) the Net Requirement of the Parking and Roadway Area, if any, allocated to the Terminal Ramp Area; and

- (vi) any Terminal Ramp Fees payable by any Signatory Airline determined to be unpaid when due in accordance with Section 9.05 (net of (A) any security deposit then held by the City that the City has applied to the payment of such Terminal Ramp Fees as set forth in Section 9.06 and (B) payments of such Terminal Ramp Fees out of funds in the Emergency Reserve Fund pursuant to Section 7.03(c)(ii));

minus, for such Fiscal Year,

- (i) Non-Airline Revenues of the Terminal Ramp Area, including City-Controlled Facilities fees charged in accordance with Section 8.14 and allocated to the Terminal Ramp Area; and
- (ii) the Net Surplus of the Parking and Roadway Area, if any, allocated to the Terminal Ramp Area.

**Section 8.06: Net Requirement or Net Surplus of the Parking and Roadway Area**

The Net Requirement (in the case of a negative number) or the Net Surplus (in the case of a positive number) of the Parking and Roadway Area, for each Fiscal Year, shall be an amount equal to the sum of, for such Fiscal Year:

- (a) O&M Expenses of the Parking and Roadway Area;
- (b) The Net Requirement of the Indirect Cost Center allocated to the Parking and Roadway Area;
- (c) Debt Service allocated to the Parking and Roadway Area; and
- (d) Fund Deposit Requirements allocated to the Parking and Roadway Area;

minus, for such Fiscal Year, Non-Airline Revenues of the Parking and Roadway Area.

**Section 8.07: Net Requirement or Net Surplus of the Support Facilities Area**

The Net Requirement (in the case of a negative number) or the Net Surplus (in the case of a positive number) of the Support Facilities Area, for each Fiscal Year, shall be an amount equal to the sum of, for such Fiscal Year:

- (a) O&M Expenses of the Support Facilities Area;
- (b) the Net Requirement of the Indirect Cost Center allocated to the Support Facilities Area;
- (c) Debt Service allocated to the Support Facilities Area; and
- (d) Fund Deposit Requirements allocated to the Support Facilities Area;

minus, for such Fiscal Year, Non-Airline Revenues of the Support Facilities Area.

## **Section 8.08: Deposits to the Airport Development Fund**

(a) If Non-Airline Revenues for any Fiscal Year exceed one hundred five percent (105%) of the average of Non-Airline Revenues for the three Fiscal Years immediately preceding such Fiscal Year, then an amount equal to such excess (being equal to (i) Non-Airline Revenues for such Fiscal Year minus (ii) the product of (A) 1.05 multiplied by (B) the average of Non-Airline Revenues for the three Fiscal Years immediately preceding such Fiscal Year), if any, but not to exceed \$1,000,000 Adjusted for Inflation, shall be deposited in the Airport Development Fund; *provided* that such deposit may not be made until the City has provided to each Signatory Airline the Statement of Airline's Actual Annual Airline Fees and Charges for such Fiscal Year.

(b) If actual O&M Expenses for any Fiscal Year are less than ninety-five percent (95%) of the amount of Budgeted O&M Expenses for such Fiscal Year, then an amount equal to such difference (being equal to (i) the product of (A) 0.95 multiplied by (B) the amount of Budgeted O&M Expenses for such Fiscal Year, minus (ii) actual O&M Expenses for such Fiscal Year), if any, but not to exceed \$1,000,000 Adjusted for Inflation, shall be deposited in the Airport Development Fund; *provided* that such deposit may not be made until the City has provided to each Signatory Airline the Statement of Airline's Actual Annual Airline Fees and Charges for such Fiscal Year. For the purposes of this Section 8.08(b), "**Budgeted O&M Expenses**" for a Fiscal Year means the amount of O&M Expenses for the Airport for that Fiscal Year estimated by the City's Department of Aviation and used to prepare each Airline's Statement of Airline's Estimated Annual Airline Fees and Charges.

(c) Notwithstanding the foregoing, the amounts to be deposited in the Airport Development Fund in accordance with subsections (a) and (b) of this Section 8.08 of this Agreement and all other Airport Use Agreements shall not exceed \$1,500,000 Adjusted for Inflation in aggregate for any Fiscal Year.

(d) During the fifth and tenth years of this Agreement, the City, in consultation with the Signatory Airlines, shall determine whether additional increases to each of the foregoing dollar limits in this Section 8.08 would be in the interests of the Airport. If so, the City may increase the dollar limits as of January 1, 2018 and January 1, 2023, respectively, to amounts reasonably determined by the City to be in the interests of the Airport (which amounts will be Adjusted for Inflation) so long as a Majority-in-Interest does not disapprove of such increase within thirty (30) days after the City has provided notice thereof.

## **Section 8.09: Non-Signatory Fees and Charges**

(a) The City shall charge a fee (the "**Non-Signatory Landing Fee**") for each Revenue Landing of any aircraft operated by a Non-Signatory Airline. For purposes of establishing the Non-Signatory Landing Fee Rate for each Fiscal Year, the City shall allocate a portion of the Airfield Area requirement calculated pursuant to Section 8.03(c) prior to any adjustments pursuant to Section 8.08 (excluding for purposes of such calculation for this Section 8.09(a) only, Non-Signatory Revenues of the Airfield Area) for such Fiscal Year, to the Non-Signatory Airlines on the basis of relative use of the Airfield Area by Signatory Airlines and Non-Signatory Airlines during such Fiscal Year. Such allocation of the Airfield Area

requirement shall be based upon the respective Maximum Approved Gross Landing Weight of all aircraft of all Signatory Airlines landed in Revenue Landings and the maximum landing weight of all aircraft of Non-Signatory Airlines landed in Revenue Landings during such Fiscal Year; *provided, however*, that for purposes of such allocation, the maximum landing weight of aircraft landed by Non-Signatory Airlines shall be increased by a Non-Signatory Airline premium factor to be determined by the Commissioner from time to time, which factor shall in no event be less than twenty-five percent (25%).

The Non-Signatory Landing Fee Rate for any Fiscal Year shall be determined by dividing such allocated Airfield Area requirement by the total maximum landing weight in thousand-pound units of all aircraft of all Non-Signatory Airlines landed in Revenue Landings during such Fiscal Year.

If, with respect to any Fiscal Year, the amount of Non-Signatory Landing Fees actually received by the City is more or less than the Airfield Area requirement allocated to the Non-Signatory Airlines for such Fiscal Year, such excess or deficit shall not be taken into account for purposes of determining Revenues for such Fiscal Year; instead, any such excess shall be held by the City in a fund or account separate and apart from the funds and accounts created pursuant to a Bond Ordinance, and any such excess or deficit shall be applied or taken into account, as applicable, in setting Non-Signatory Landing Fees for the next succeeding Fiscal Year.

(b) The City shall charge each Non-Signatory Airline that leases premises in the Terminal Area terminal rentals calculated at a rental rate for any Fiscal Year that is not less than one hundred twenty-five percent (125%) of the Terminal Rental Rate (calculated prior to any adjustments pursuant to Section 8.08) for such Fiscal Year.

(c) The City shall charge Non-Signatory Airlines terminal ramp fees for use of the Aircraft Parking Areas calculated at a rate for any Fiscal Year that is not less than one hundred twenty five percent (125%) of the Terminal Ramp Rate (calculated prior to any adjustments pursuant to Section 8.08) for such Fiscal Year.

(d) The City shall charge Non-Signatory Airlines fees for use of the FIS Facility calculated at a rate for each Fiscal Year that is not less than one hundred twenty-five percent (125%) of the FIS Fee Rate for such Fiscal Year.

(e) The City shall charge Non-Signatory Airlines fees for use of the City-Controlled Facilities in accordance with Section 8.14.

#### **Section 8.10: Equipment Fees**

(a) Subject to the provisions of Section 8.10(d) and Section 11.06, the Airline's Equipment Fee for each Fiscal Year shall be an aggregate amount equal to the product of (i) the number of thousand pounds of the Maximum Approved Gross Landing Weight of each aircraft of the Airline involved in Revenue Landings during such Fiscal Year, multiplied by (ii) the Equipment Fee Rate for such Fiscal Year.

(b) The Equipment Fee Rate for any Fiscal Year shall be determined (to the nearest 1/10 of one cent (\$.001) per each one thousand (1,000) pounds) by dividing the Equipment Cost

Center requirement for such Fiscal Year calculated pursuant to Section 8.10(c), by the total Maximum Approved Gross Landing Weight in thousand-pound units of all aircraft of all Signatory Airlines landed in Revenue Landings during such Fiscal Year.

(c) The Equipment Cost Center requirement for each Fiscal Year shall be an amount equal to the sum of, for such Fiscal Year:

- (i) O&M Expenses allocated to the Equipment Cost Center
- (ii) Debt Service allocated to the Equipment Cost Center; and
- (iii) Fund Deposit Requirements allocated to the Equipment Cost Center;

minus, for such Fiscal Year, Non-Airline Revenues of the Equipment Cost Center.

(d) The foregoing provisions of this Section 8.10 notwithstanding, in the event that in any Fiscal Year the Equipment Cost Center requirement is less than \$100,000, then no Equipment Fee shall be payable for such Fiscal Year and the Equipment Cost Center requirement for such Fiscal Year shall be included in the Terminal Area requirement for such Fiscal Year pursuant to Section 8.04(d).

#### **Section 8.11: Fueling Fees**

(a) Subject to the provisions of Sections 8.11(d) and 11.06, the Airline's Fueling Fees for each Fiscal Year shall be an aggregate amount equal to the product of (i) the number of gallons of Fuel distributed from the Fuel System to the Airline during such Fiscal Year, multiplied by (ii) the Fueling Fee Rate for such Fiscal Year.

(b) The Fueling Fee Rate for any Fiscal Year shall be determined by dividing the Fueling Cost Center requirement for such Fiscal Year calculated pursuant to Section 8.11(c), by the total gallons of Fuel distributed from the Fuel System to the Signatory Airlines during such Fiscal Year.

(c) The Fueling Cost Center requirement for each Fiscal Year shall be an amount equal to the sum of, for such Fiscal Year:

- (i) O&M Expenses allocated to the Fueling Cost Center;
- (ii) Debt Service allocated to the Fueling Cost Center; and
- (iii) Fund Deposit Requirements allocated to the Fueling Cost Center;

minus, for such Fiscal Year, Non-Airline Revenues of the Fueling Cost Center.

(d) In the event that for any full calendar month none of the Signatory Airlines has any Fuel distributed to it from the Fuel System, the Airline shall, for the purposes of this Section 8.11, be deemed to have had distributed to it in such month the average number of gallons of Fuel distributed to it in each of the last preceding six calendar months; *provided* that in the event

none of the Signatory Airlines had any Fuel distributed to it from the Fuel System in any of the last preceding six calendar months, the Airline shall be deemed to have had distributed to it in such month the average number of gallons of Fuel distributed to it in each of the last preceding six calendar months during which any Fuel was distributed to it.

#### **Section 8.12: Example of Rate Methodology**

Exhibit O sets forth, for illustrative purposes only, a chart describing the methodology for calculating Airline Fees and Charges pursuant to this Article 8, including the required adjustments pursuant to Section 8.08.

#### **Section 8.13: FIS Cost Center and FIS Fees**

(a) In order to calculate FIS Fees to be paid by Signatory Airlines and Non-Signatory Airlines, the City shall account for and allocate to the FIS Cost Center, in accordance with the allocation methodology set forth in Exhibit G, O&M Expenses, Debt Service (if any), FIS Facility Debt Service, Fund Deposit Requirements, Non-Airline Revenues and the Net Requirement of the Indirect Cost Center.

(b) The Airline's FIS Fees for each Fiscal Year shall be an aggregate amount equal to the product of (i) the number of Airline's Deplaned Passengers processed through the FIS Facility during such Fiscal Year, multiplied by (ii) the FIS Fee Rate for such Fiscal Year.

(c) The FIS Fee Rate for any Fiscal Year shall be determined by dividing the FIS Cost Center requirement for such Fiscal Year, calculated pursuant to Section 8.13(d), by the total number of Deplaned Passengers of all Signatory Airlines processed through the FIS Facility during such Fiscal Year.

(d) The FIS Cost Center requirement for each Fiscal Year shall be an amount equal to the sum of, for such Fiscal Year:

- (i) O&M Expenses allocated to the FIS Cost Center;
- (ii) the Net Requirement of the Indirect Cost Center allocated to the FIS Cost Center;
- (iii) Debt Service (if any) allocated to the FIS Cost Center;
- (iv) FIS Facility Debt Service;
- (v) Fund Deposit Requirements allocated to the FIS Cost Center; and
- (vi) any FIS Fees payable by any Signatory Airline determined to be unpaid when more than 90 days past due and reasonably deemed by the City to be uncollectible;

minus, for such Fiscal Year, Non-Airline Revenues of the FIS Cost Center, including fees paid to the City by Non-Signatory Airlines for the use of the FIS Facility.

(e) For purposes of Section 9.01(a), the Airline shall furnish the City with an estimate of the number of the Airline's Deplaned Passengers who will be processed through the FIS Facility during the next ensuing Fiscal Year.

(f) For purposes of Section 9.01(b)(ii), the Airline shall include the number of the Airline's Deplaned Passengers processed through the FIS Facility.

(g) The City shall include in its calculations pursuant to Section 9.02(a) and Section 9.04(a), the estimated FIS Fee Rate and the adjusted FIS Fee Rate.

(h) Not later than the fifteenth day of each month of each Fiscal Year, the Airline shall furnish the City with a statement signed by an authorized representative of the Airline, certifying the actual number of the Airline's Deplaned Passengers processed through the FIS Facility during the preceding month, accompanied by payment of the amount of FIS Fees due for such preceding month based on the actual number of the Airline's Deplaned Passengers processed through the FIS Facility. Notwithstanding the foregoing, at and in accordance with the direction of the City, the Airline shall separately pay that portion of its FIS Fees attributable to FIS Facility Debt Service.

#### **Section 8.14: City-Controlled Facilities**

The City shall charge fees to Signatory Airlines for the use of the City-Controlled Facilities on a per use basis. The City shall determine the fee schedule from time to time in consultation with the Signatory Airlines, such that the cost per departure for use of the terminal and ramp areas (but not including the Landing Fee) for a Signatory Airline using the City-Controlled Facilities is comparable to the cost per departure for use of such areas for a Signatory Airline using Leased Premises and paying the Terminal Rentals and Terminal Ramp Fee. The City shall charge Non-Signatory Airlines fees for use of the City-Controlled Facilities calculated at a rate that is not less than one hundred twenty-five percent (125%) of the then-applicable fees charged to Signatory Airlines for the City-Controlled Facilities.

### **ARTICLE 9: PAYMENT OF RENTALS, FEES AND CHARGES**

#### **Section 9.01: Information on Airline Operations**

(a) Not later than one hundred twenty (120) days prior to the end of each Fiscal Year, the Airline shall furnish the City with an estimate of (i) the total Maximum Approved Gross Landing Weight of all aircraft to be landed at the Airport by the Airline during the next ensuing Fiscal Year, (ii) the number of Enplaned Passengers, Deplaned Passengers and through passengers of the Airline during the next ensuing Fiscal Year, and (iii) the total number of gallons of Fuel to be distributed from the Fuel System to the Airline during the next ensuing Fiscal Year.

(b) Not later than the fifteenth (15th) day of each month of each Fiscal Year, the Airline shall complete and file with the City, on forms prescribed by the City, the following information and data for the previous month:



- (i) the number of the Airline's Revenue Landings and Maximum Gross Approved Landing Weight of Revenue Landings;
- (ii) the number of the Airline's Enplaned Passengers, Deplaned Passengers, through passengers and non-revenue passengers departing from the Airport;
- (iii) the number of Revenue Landings, Enplaned Passengers, Deplaned Passengers and through passengers and Maximum Approved Gross Landing Weight of aircraft ground handled by the Airline;
- (iv) the amount of enplaned and deplaned freight, mail and other cargo, expressed in tonnage, handled by the Airline; and
- (v) the number of gallons of Fuel distributed to the Airline from the Fuel System.

**Section 9.02: Statement of Airline's Estimated Annual Airport Fees and Charges; Payment of Airline Fees and Charges**

(a) Not later than sixty (60) days prior to the beginning of each Fiscal Year, the City shall furnish the Airline with a preliminary calculation pursuant to Article 8 for such Fiscal Year of the Terminal Rental Rate, the Airline's Terminal Rentals, the Terminal Ramp Rate, the Airline's Terminal Ramp Fee, the Landing Fee Rate, the Equipment Fee Rate and the Fueling Fee Rate, and not later than the last day of the prior Fiscal Year, the City shall furnish the Airline with a revised estimated calculation of such amounts for such Fiscal Year (the "**Statement of Airline's Estimated Annual Fees and Charges**"). Such preliminary calculation, as well as the Statement of Airline's Estimated Annual Fees and Charges, shall be based on the estimates of the City's Department of Aviation of, among other things, O&M Expenses and Non-Airline Revenues for such Fiscal Year, and, for purposes of the Statement of Airline's Estimated Annual Fees and Charges, all adjustments to the Airfield Area, Terminal Area and Terminal Ramp Area requirements pursuant to Section 8.08 shall be based on such estimates in order to determine whether there is projected growth in Non-Airline Revenue (as contemplated in Section 8.08(a)) or projected O&M Expense savings (as contemplated in Section 8.08(b)), as the case may be.

(b) Not later than the first (1st) day of each month of each Fiscal Year, the Airline shall pay, without invoice, all of its Terminal Rentals and Terminal Ramp Fees for such month, as set forth in the Statement of Airline's Estimated Annual Fees and Charges.

(c) Not later than the fifteenth (15th) day of each month of each Fiscal Year, the Airline shall furnish the City with a statement signed by an authorized representative of the Airline, certifying the actual number of the Airline's Revenue Landings, by type, model and weight of aircraft, during the preceding month, and the actual number of gallons of Fuel distributed from the Fuel System to the Airline during the preceding month, accompanied by payment of the amount of Landing Fees, and, subject to the provisions of Section 11.06, Equipment Fees and Fueling Fees due for such preceding month based on such actual number of Revenue Landings and gallons of Fuel.

### **Section 9.03: Adjustment of Airline Fees and Charges**

In order to avoid an underpayment or overpayment of the amount required hereunder to be generated by the City through Airline Fees and Charges during a Fiscal Year, the City may adjust the remaining monthly Airline Fees and Charges in the then current Fiscal Year to conform to its then current forecast of expenses and revenues at and as of (a) July 1 of such Fiscal Year and (b) one, and only one, other time during such Fiscal Year if the City's forecast based upon its most recently available information with regard to expenses and revenues actually incurred or realized during the Fiscal Year, together with the most recently available information with respect to Airline Fees and Charges actually received by the City, indicates that payment of Airline Fees and Charges by the Airline at the then-existing rates would result in an underpayment or overpayment of five percent (5%) or more of the amount required hereunder to be generated by the City through Airline Fees and Charges in the aggregate during such Fiscal Year.

### **Section 9.04: Statement of Airline's Actual Annual Airport Fees and Charges**

(a) Within two hundred seventy (270) days after the close of each Fiscal Year, the City shall recalculate and adjust the Landing Fee Rate, Terminal Rental Rate, Terminal Ramp Rate, Equipment Fee Rate and Fueling Fee Rate in effect during the preceding Fiscal Year. The City's adjustments shall be based on the calculation procedures established in this Agreement, but shall use actual (rather than estimated) costs, revenues, square footage of Leased Premises and Aircraft Parking Area, number of Revenue Landings and Maximum Adjusted Gross Landed Weight and gallons of Fuel distributed from the Fuel System. Based on such adjustments (including adjustments pursuant to Section 8.08), the City shall recalculate Airline Fees and Charges payable for such Fiscal Year. Said Airline Fees and Charges shall be set forth and supported by the Statement of Airline's Actual Annual Airline Fees and Charges, which the City shall provide to the Airline within one (1) year after the close of such Fiscal Year (or by such later date as may be approved by a Majority-in-Interest).

(b) In the event that the Airline's Airline Fees and Charges actually paid during such preceding Fiscal Year exceed the amount of the Airline's Airline Fees and Charges payable (as recalculated pursuant to Section 9.04(a)), the Airline shall receive a credit in the amount of one-sixth (1/6) of such overpayment against each of the next ensuing six monthly payments of Airline Fees and Charges. In the event that the Airline's Airline Fees and Charges actually paid during such preceding Fiscal Year are less than the amount of the Airline's Airline Fees and Charges payable (as recalculated pursuant to Section 9.04(a)), the Airline shall pay to the City within sixty (60) days of its receipt of the Statement of Airline's Actual Annual Fees and Charges the amount of such deficiency.

### **Section 9.05: Place of Payment; Late Payments**

(a) All amounts due from the Airline hereunder shall be paid to the City of Chicago at the Office of the City's Comptroller or at such other place as may be hereafter designated by the City's Comptroller.

(b) Any amount which is not paid within five (5) days of when due and, if appropriate, invoiced, shall bear interest from its due date at a rate three percent (3%) higher than the "corporate base rate" of interest announced from time to time by the largest commercial bank in the City. At any time such bank does not announce such a rate, the rate of interest shall be that charged by such bank to its most credit-worthy customers.

(c) Amounts due the City under this Agreement from any Signatory Airline may be included in the calculation of Airline Fees and Charges hereunder when more than ninety (90) days past due and reasonably deemed by the City to be uncollectible. The City shall diligently pursue all appropriate remedies to collect all such unpaid amounts both prior to and after the expiration of such ninety (90) day period and any such unpaid amounts subsequently collected shall be included in Non-Airline Revenues for the Fiscal Year in which collected.

#### **Section 9.06: Security Deposits**

(a) Subject to the provisions of subsections (b), (c) and (d) below, in order to guarantee the timely payment of all Airline Fees and Charges, to the extent that the Airline has not already done so, the Airline shall remit to the City, (i) within ten (10) days of the date of execution of this Agreement by the Airline, a security deposit in an amount equal to (A) the Airline's estimated Landing Fees for three (3) months (as determined on the basis of the Airline's published schedule as of that date and the actual Landing Fee Rate effective as of that date), plus (B) the Airline's estimated Terminal Rentals for three (3) months (as determined on the basis of the square footage of the Airline's Leased Premises as of that date), plus (C) the Airline's estimated Terminal Ramp Fee for three (3) months (as determined on the basis of the square footage of Aircraft Parking Area assigned to the Airline as of that date), plus (D) the Airline's estimated Passenger Facility Charges for three (3) months, plus (E) the Airline's estimated Fueling Fees for three (3) months (as determined on the basis of the average number of gallons of Fuel distributed to the Airline from the Fueling System in the prior six months and the actual Fueling Fee Rate effective as of that date), and (ii) on the first day of the first Fiscal Year in which an Equipment Fee is payable hereunder, a security deposit in an amount equal to the Airline's estimated Equipment Fees for three (3) months (as determined on the basis of the Airline's published schedule as of that date and the actual Equipment Fee Rate effective as of that date). Such deposits shall be in the form of an irrevocable direct pay letter of credit from a bank acceptable to the City, cash, or such other form of security as the City may deem acceptable. The foregoing notwithstanding, the Commissioner shall have the right to waive the payment of all or any portion of the Airline's security deposit at any time.

(b) The foregoing notwithstanding, in the event that the Airline has both (i) been operating at the Airport for at least one (1) year and (ii) for the previous twelve (12) months, has been timely in making all payments to the City pursuant to this Agreement and all payments to the City of Passenger Facility Charges, then the City shall reduce the security deposit requirement for the Airline's estimated Landing Fees, estimated Terminal Rentals, estimated Terminal Ramp Fee and estimated Fueling Fees from three (3) months to two (2) months, and the City shall return to the Airline the excess security deposit, if any; *provided, however*, that in the event the Airline is thereafter delinquent in making any payment to the City pursuant to this Agreement or any payment to the City of Passenger Facility Charges, then the three (3) months of estimated Landing Fees, estimated Terminal Rentals, estimated Terminal Ramp Fee and

estimated Fueling Fees security deposit requirement shall be immediately reinstated and the Airline shall remit to the City within seven (7) days of receipt of written notice from the City of such delinquency the third month's estimated Landing Fees, estimated Terminal Rentals, estimated Terminal Ramp Fee and estimated Fueling Fees; *provided* that if the Airline does not so reinstate its security deposit in a timely manner, the City shall be entitled to set-off the amount of the security deposit to be reinstated against the next ensuing payments by the Airline of Airline Fees and Charges until such security deposit is fully reinstated.

(c) The foregoing notwithstanding, in the event that the Airline has both (i) been operating at the Airport for at least sixty (60) months and (ii) for the previous sixty (60) months, has been timely in making all payments to the City pursuant to this Agreement and all payments to the City of Passenger Facility Charges, then the City shall reduce the security deposit requirement for the Airline's estimated Landing Fees, estimated Terminal Rentals, estimated Terminal Ramp Fee and estimated Fueling Fees from two (2) months to one (1) month, and the City shall return to the Airline the excess security deposit, if any; *provided, however*, that in the event the Airline is thereafter delinquent in making any payment to the City pursuant to this Agreement or any payment to the City of Passenger Facility Charges, then the three (3) months of estimated Landing Fees, estimated Terminal Rentals, estimated Terminal Ramp Fee and estimated Fueling Fees security deposit requirement shall be immediately reinstated and the Airline shall remit to the City within seven (7) days of receipt of written notice from the City of such delinquency the third month's estimated Landing Fees, estimated Terminal Rentals, estimated Terminal Ramp Fee and estimated Fueling Fees; *provided* that if the Airline does not so reinstate its security deposit in a timely manner, the City shall be entitled to set-off the amount of the security deposit to be reinstated against the next ensuing payments by the Airline of Airline Fees and Charges until such security deposit is fully reinstated.

(d) In the event that (i) the Airline provides written affidavits from the Airline and an independent third party bank trustee that the net principal amount of all Passenger Facility Charges collected by the Airline or its agents at the Airport have been placed, and are required in the future to be placed, in a Trust Account established pursuant to Section 17.02; (ii) the Airline has been operating at the Airport for at least two (2) years; and (iii) during the previous twenty-four (24) months, the Airline has been timely in making all payments to the City pursuant to this Agreement and all payments to the City of Passenger Facility Charges, then the City shall suspend that portion of the Airline's security deposit requirement under subsection (a) above related to the Airline's Passenger Facility Charges and reimburse to the Airline that portion of the security deposit held by the City; *provided, however*, that in the event the Airline is delinquent thereafter in making any payment to the City pursuant to this Agreement or any payment to the City of Passenger Facility Charges, then the portion of the Airline's security deposit requirement related to the Airline's Passenger Facility Charges shall immediately be reinstated, and the Airline shall remit to the City within seven (7) days of receipt of written notice from the City of such delinquency the three (3) month Passenger Facility Charge security deposit required hereunder; *provided* that if the Airline does not so reinstate the security deposit requirement in a timely manner, the City shall be entitled to setoff the amount of the Passenger Facility Charges security deposit requirement against the next ensuing payments by the Airline of Airline Fees and Charges until such security deposit is fully reinstated.

(e) At any time that (i) any of the Airline's Airline Fees and Charges or any other amounts due hereunder are more than thirty (30) days past due, (ii) the Airline shall fail to transmit to the City PFCs in accordance with Section 17.02 or (iii) the Airline shall fail to keep the Leased Premises and any interest therein and any improvements thereon free and clear of any and all liens in accordance with Section 12.05, the City, upon written notice to the Airline, shall be entitled to apply any of the security deposit described in Section 9.06(a) above to the payment of such unpaid amounts or to the costs of removal of such liens, as the case may be. In any such event, the Airline shall again meet the security deposit requirement set forth in Section 9.06(a) above within seven (7) days from its receipt of such written notice; *provided* that if the Airline does not so meet the security deposit requirement in a timely manner, the City shall be entitled to set-off such security deposit against the next ensuing payments by the Airline of Airline Fees and Charges until such security deposit is complete.

#### **Section 9.07: Right to Contest; No Abatement or Set-off**

(a) The payment by the Airline to the City, and the acceptance by the City from the Airline, of any amount hereunder shall not preclude either the Airline or the City from questioning the accuracy of any statement on the basis of which such payment was made, or preclude the City from making any claim against the Airline for any additional amount payable by the Airline hereunder, or preclude the Airline from making, within such period, any claim against the City for credit for any excess amount paid by the Airline hereunder.

(b) Notwithstanding the foregoing, the Airline shall not abate, suspend, postpone, set-off or discontinue any payments of Airline Fees and Charges payable hereunder.

#### **Section 9.08: No Other Fees and Charges**

No rents, fees or charges other than those herein expressly referred to or provided for, shall be imposed by the City upon any of the Signatory Airlines, its employees, agents, passengers, Contractors, customers, suppliers of materials or furnishers of services for the use of or access to the Airport or otherwise directly or indirectly relating to the conduct of such party's business at the Airport; *provided, however*, that the foregoing shall not be construed to prohibit the City from imposing and collecting charges and fees (a) for the use of specified equipment or facilities at the Airport to recover the cost of such equipment or facilities, (b) for the use of overnight aircraft parking areas at the Airport, (c) for the use of the public auto parking areas on the Airport, (d) from operators of ground transportation to, from and on the Airport, (e) from any concessionaire at the Airport in accordance with the terms of a contract with the City for the operation of such concession, and (f) from any person, other than an airline conducting an air transportation business, for access to the Airport for the conduct of its business; and *provided, further*, that the City reserves the right to impose and use a Passenger Facility Charge; and *provided, further*, that the foregoing shall not apply to any taxes, permits or license fees levied or imposed by the City.

#### **Section 9.09: Airline Books and Records**

The Airline shall maintain and/or make available upon reasonable notice at its office in Chicago, Illinois, or at the Airport, books, records and accounts relevant to the determination of

any Airline Fees and Charges, including records of its Revenue Landings at the Airport, each such item of information to be maintained for a period of at least five years from the date of creation unless necessary for pending litigation. If such books, records and accounts are not maintained at such office, the Airline shall in any case maintain such books, records and accounts within the United States, and the Airline shall promptly furnish the Commissioner, the City Comptroller of the City and the U.S. Comptroller General with all information reasonably requested by them with respect to such books, records and accounts. The Commissioner, the City Comptroller of the City and the U.S. Comptroller General, and such persons as may be designated by them, shall have the right, at all reasonable times, subject to prior written notice to the Airline, to examine, make copies of, and take extracts from such books, records and accounts.

#### **Section 9.10: City Books and Records**

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

### **ARTICLE 10: APPROVAL OF CAPITAL PROJECTS, OTHER PROJECTS AND THE ISSUANCE OF BONDS**

#### **Section 10.01: Approval of Capital Projects**

(a) Approved Capital Projects.

- (i) The City and the Airline each hereby acknowledge and agree that the capital projects described in Exhibit N have been approved in accordance with the provisions of the 1998 Use Agreement, and that such capital projects may be undertaken and implemented without further approval.
- (ii) In addition, the City and the Airline each hereby approve the implementation of the following capital projects:
  - (A) Runway 31C/13C Reconstruction: This project will provide for the reconstruction of Runway 31C/13C, including pavement, markings and installation of additional navigational aids and signage. The estimated project cost is \$43,000,000.
  - (B) Residential Sound Insulation Program: This project will sound insulate approximately 2,500 homes located within the 65 DNL or greater contour in the FAA-approved future noise contour for the Airport. The estimated project cost is \$71,000,000 (inclusive of

any amounts spent on projects for the same purpose described in Exhibit N).

- (C) **Passenger Security Checkpoint Expansion Project:** This project will provide for the construction of new terminal space, new security checkpoint area, new pedestrian bridge (south) over Cicero Avenue and new non-airline revenue producing space. The estimated project cost is \$45,000,000.

If the project cost for any such capital project exceeds the estimated project cost set forth above for such capital project, the City will notify the Signatory Airlines of the expected excess cost. The City may implement the balance of such capital project so long as a Majority-in-Interest does not disapprove thereof in writing to the City within thirty (30) days of the submission of the above-described information to the Signatory Airlines. The Signatory Airlines may not act unreasonably in approving or disapproving any such capital project.

(b) Ongoing Capital Maintenance and Improvement Program. The City and the Airline each hereby acknowledge that an ongoing capital maintenance and improvement program is essential to maintaining the Airport in good repair and condition. The City's ongoing capital maintenance and improvement program will consist of the following types of projects: rehabilitation/reconstruction of airfield pavement, including runways, taxiways and ramp areas; terminal improvements; facility modifications; parking lot and roadway improvements; security projects; and environmental projects. The City's on-going capital maintenance and improvement program will not include the development of major new facilities at the Airport, such as expanding the footprint of the existing Terminal or constructing additional Gates.

The City expects to spend each year, on average during the term of this Agreement, an amount equal to approximately the Annual Capital Maintenance Amount to implement its ongoing capital maintenance and improvement program (in addition to amounts spent to implement the projects described in Section 10.01(a)), although it is anticipated and acknowledged by the Airline that the City will spend less than Annual Capital Maintenance Amount in certain years and will spend more than Annual Capital Maintenance Amount in other years. The "Annual Capital Maintenance Amount" means \$40,000,000 per year Adjusted for Inflation; *provided* that during the fifth and tenth years of this Agreement, the City, in consultation with the Signatory Airlines, will determine whether additional capital investment is necessary and, if so, the City may increase the Annual Capital Maintenance Amount as of January 1, 2018 and January 1, 2023, respectively, to an amount reasonably determined by the City to be necessary to maintain the Airport in good condition and repair (which amount will be Adjusted for Inflation) so long as a Majority-in-Interest does not disapprove of such increase within thirty (30) days after the City has provided notice thereof. For all projects included in the ongoing capital maintenance and improvement program, the City may not spend in aggregate more than the sum of applicable Annual Capital Maintenance Amounts during the term of this Agreement (each as calculated above) without approval by a Majority-in-Interest.

Prior to implementing any project included in this ongoing capital maintenance and improvement program, the City will submit to the Signatory Airlines a description of the project and information about the cost and timing thereof. The City may implement such project without further approval so long as a Majority-in-Interest does not disapprove of the project in writing to the City within thirty (30) days of the submission of the above-described information to the Signatory Airlines. The Signatory Airlines may not act unreasonably in approving or disapproving any such project.

**Section 10.02: Issuance of Bonds**

(a) The Airline hereby authorizes the City to issue Bonds and include in the calculation of Airline Fees and Charges the Debt Service on such Bonds, without any further approvals, for any of the following purposes:

- (i) to fund all costs related to the projects described in Section 10.01;
- (ii) to fund the cost of planning, designing, constructing and equipping capital projects (A) necessary to comply with any current or future law, rule, regulation, policy or order of any federal, state or local agency or any federal or state grant agreement or airport certification requirement, (B) for emergency or airfield safety purposes, (C) which an Independent Airport Consultant has projected would result in no net increase in Airline Fees and Charges on an average basis over a five (5) year period, (D) necessary to remedy any environmental concern or comply with any of the Environmental Laws, or (E) having a cumulative net cost (actual cost less the proceeds of any insurance, or the proceeds of any federal or state grant) to the City in any five (5) Fiscal Year period of less than \$2,500,000, excluding those capital projects funded with Bonds issued pursuant to Section 10.02(a)(i), (ii)(A) through (D), and (iii);
- (iii) to fund the cost of planning, designing, constructing and equipping any other capital project approved pursuant to Section 10.03;
- (iv) to fund deficiencies in the amount of insurance or condemnation proceeds in accordance with the provisions of Article 14;
- (v) to fund, to the extent not covered by insurance, the cost of settling claims, satisfying judgments or complying with judicial orders against the City by reason of its ownership, operation, maintenance, development, improvement (including design and construction) or use of the Airport unless caused by the willful and wanton misconduct of the City, its officials, employees, or agents;
- (vi) to fund the cost of tenant improvements pursuant to Section 10.06;
- (vii) to fund capitalized interest on, and Fund Deposit Requirements with respect to, Bonds issued pursuant to Section 10.02(a)(i) through (vii); and



(viii) to fund all costs related to the issuance of Bonds issued pursuant to Section 10.02(a)(i) through (vii), including underwriters' discount, legal and financial advisors' fees, other consultants' fees, credit facility fees, remarketing fees, bond insurance premiums and arbitrage rebate requirements.

(b) At least forty-five (45) days prior to the issuance of any Bonds, the City shall give written notice of such financing to the Airline. Such notice will provide the proposed terms of such financing and the estimated Debt Service payable as a result thereof. Upon request of a Majority-in-Interest filed with the City within ten (10) business days following receipt of such notice by the Airline, the City will convene a meeting of the Signatory Airlines to discuss the financing, including possible alternatives to the issuance of Bonds. The Signatory Airlines have formed an Airport Affairs Committee to address financial and other issues requiring Majority-in-Interest approval.

(c) The Airline hereby acknowledges that prior to the Effective Date the City issued the Outstanding Bonds and that the Debt Service on the Outstanding Bonds is includible in Airline Fees and Charges.

#### **Section 10.03: Majority-in-Interest Approval for Additional Capital Projects**

(a) In the event the City desires to obtain approval for an additional capital project to be funded through the issuance of Bonds pursuant to Section 10.02(a)(iii), the City shall submit a proposal to the Signatory Airlines, which proposal shall include an estimate of (i) the cost of such capital project, (ii) the Debt Service resulting therefrom, (iii) the projected completion date for such capital project, (iv) the proposed allocation of Debt Service among the Cost Centers, and (v) the projected impact upon rates and charges.

(b) A capital project shall be deemed to be approved pursuant to this Section 10.03 if a Majority-in-Interest does not disapprove of the capital project in writing to the City within thirty (30) days of the submission of the above-described proposal to the Signatory Airlines.

#### **Section 10.04: Authority to Issue Obligations to Fund Tenant Improvements**

Subject to the provisions of Section 10.02 and this Section 10.04, the City may issue Bonds in an amount sufficient to pay, reimburse or refinance (a) the cost of tenant improvements to any Signatory Airline's Leased Premises, and (b) all related costs of issuance and associated financing costs, including the cost of capitalized interest, credit facility fees, required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing such obligations, underwriters' discount, legal and financial advisors' fees, other consultants' fees, remarketing fees, bond insurance premiums and arbitrage rebate requirements. The City may issue such Bonds and make available the proceeds thereof to any Signatory Airline, upon written request of such Signatory Airline and its written agreement to (i) pay the Debt Service on the Bonds issued at such Signatory Airline's request, (ii) use the proceeds of such Bonds to build, purchase or otherwise acquire such items of personal property or fixtures as are commonly in use at the Airport or at other comparable airports and as are not primarily identified with or usable only by such Signatory Airline, and (iii) assume all maintenance,

operation and repair responsibilities for such improvements; *provided, however*, that the City shall not issue Bonds at the request of any Signatory Airline which is in default under its Airport Use Agreement or which cannot demonstrate, to the satisfaction of the City, its ability to pay the Debt Service attributable to such obligations. The Airline's obligation to pay Debt Service on Bonds issued pursuant to this Section 10.04 shall be limited to (1) Debt Service on any such Bonds issued at the Airline's request and (2) a prorata share of Debt Service on any such Bonds issued at another Signatory Airline's request as a result of such Debt Service being included in O&M Expenses upon such other Signatory Airline's default. Nothing in this Section 10.06 shall be construed as prohibiting any other means of financing tenant improvements for any Signatory Airline. Any tenant improvements financed pursuant to this Section 10.04 shall become and remain the property of the City, and may not be removed by the Airline from such premises.

#### **Section 10.05: Other Projects and Obligations**

(a) In addition to, and not in limitation of, any and all rights and obligations of the City contained in this Article 10, the City, upon approval by a Majority-in-Interest, may issue obligations (other than Bonds) and use the proceeds thereof to fund the cost of designing, constructing and equipping capital projects for the Airport or for any other airports owned, operated or controlled by the City so long as the debt service thereon is not included in the calculation of Airline Fees and Charges. These obligations may include Special Facility bonds or bonds secured by Passenger Facility Charge revenues.

(b) In addition to, and not in limitation of, any and all rights and obligations of the City contained in this Article 10, the City, upon approval by a Majority-in-Interest, may fund the cost of designing, planning, constructing and equipping capital projects for the Airport or for any other airports owned, operated or controlled by the City, from any other source of funds available to the City for such purpose, including (i) amounts in the Repair and Replacement Fund and Emergency Reserve Fund (subject to the limitations provided elsewhere in this Agreement), (ii) amounts in the Airport Development Fund, or any other fund created pursuant to or as required by any Bond Ordinance, (iii) proceeds of Government Grants-in-Aid, (iv) proceeds of any gift, bequest, contribution or donation to the Airport, including any funds provided by any person or entity, including an airline, doing business at the Airport, (v) proceeds of any insurance or condemnation award subject to any restrictions on the use of such proceeds set forth in Article 14 and (vi) subject to the provisions of Section 17.03, proceeds of any Passenger Facility Charge.

#### **Section 10.06: Special Facility Financings**

The following provisions shall apply in the event of a Special Facility:

(a) The provisions of Section 13.02 shall apply to any user of a Special Facility except that references to "Airline" shall be deemed to be references to the user of the Special Facility and references to "this Agreement" shall be deemed to be references to this Agreement or the Special Facility use agreement.

(b) In the event a Special Facility or a portion thereof shall be damaged or destroyed or is taken as a result of an eminent domain proceeding, all proceeds resulting from eminent domain proceedings shall be applied as provided below:

- (i) the City shall replace, repair, rebuild or restore such portion of a Special Facility to substantially the same condition as that which existed prior to such damage, destruction or taking, with any alterations and additions as the City may determine; or
- (ii) the City shall apply such proceeds to redeem any outstanding Special Facility obligations, *provided, however,* that Special Facility obligations may be redeemed only if such damage, destruction or condemnation is of property the acquisition of which was funded with the proceeds of such Special Facility obligations, and if: (i) the Special Facility has been restored to substantially the same condition as it had been prior to such damage, destruction or taking; or (ii) the City has determined that the portion of the Special Facility damaged, destroyed or taken is not necessary to the operation of the Airport.

In the event that sufficient insurance proceeds or proceeds from eminent domain proceedings are not available to restore the Special Facility to such former condition, the City may issue Special Facility obligations to fund such deficiency pursuant to Section 10.07(a).

(c) The user of a Special Facility shall covenant that it will not assign, sublet, transfer, convey, sell, mortgage, pledge or encumber such Special Facility or any part thereof, or any rights of the user of the Special Facility, nor will the user of the Special Facility allow the use of such Special Facility by any other person, without in each instance having first obtained prior written consent of the City.

(d) The City shall have the right, but shall not be obligated, to pledge the proceeds it receives from any transferee of the user of Special Facilities or from any subsequent tenant of Special Facilities (“**Reletting Proceeds**”) to the payment of Special Facility obligations; *provided, however,* that for any Special Facilities located in the Terminal Area, such proceeds shall be applied to the payment of the pro rata share for such Special Facilities of Terminal Rentals, as provided in subsection (e) below. Any ground rentals charged by the City to any user of Special Facilities shall be Revenues of the Cost Center in which such Special Facility is located. Any Reletting Proceeds received with respect to a Special Facility shall first be applied to the ground rentals charged for such Special Facility. Ground rentals for any Special Facility shall include a pro rata percentage of administrative and overhead expenses, as determined by the City.

(e) In the event a Special Facility is constructed in the Terminal Area, the City may determine to charge the Signatory Airlines and any user of a Special Facility, in addition to debt service on its Special Facility obligations and all other payments required to be paid by such user under the terms of its Special Facility lease, Terminal Rentals calculated as follows:

- (i) A basic Terminal Rental Rate calculated in accordance with Section 8.04 with the following changes:

(A) for users of Special Facilities, the “**Airline’s Leased Premises**” shall be deemed to be the premises exclusively or preferentially leased by such user in the Special Facility;

(B) for purposes of Section 8.04(d), the Terminal Area requirement shall exclude Debt Service allocated to the Terminal Area and attributable to Leased Premises of the Signatory Airlines (Section 8.04(d)(iii));

(C) the divisor for purposes of the calculation of the Terminal Rental Rate described in Section 8.04(c) shall be the sum of the total number of square feet of Leased Premises of all Signatory Airlines plus the total number of square feet of premises exclusively or preferentially leased in the Special Facility.

The basic Terminal Rental Rate so calculated shall be charged to each Signatory Airline for its Leased Premises under this Agreement and to the user of the Special Facility for the premises in the Terminal Area exclusively or preferentially leased to such user. Except as modified by this Section 10.08(e), Section 8.04 shall not apply in the event a Special Facility is located in the Terminal Area.

- (ii) An additional Terminal Rental Rate calculated by dividing the sum of the Debt Service allocated to the Terminal Area and attributable to Leased Premises of the Signatory Airlines by the total number of square feet of Leased Premises of all Signatory Airlines (which shall not include the number of square feet of premises exclusively or preferentially leased in the Special Facility). The additional Terminal Rental Rate so calculated shall be charged to each Signatory Airline as a component of its Terminal Rentals for its Leased Premises under this Agreement, but not to the user of a Special Facility for the premises in the Terminal Area exclusively or preferentially leased to such user.
- (iii) In addition to the Terminal Rentals for premises exclusively or preferentially leased in Special Facilities, as provided in subsections (i) and (ii) above, users of Special Facilities shall be obligated to pay the appropriate rentals for premises they lease that are not part of a Special Facility, including Terminal Rentals for Joint Use Premises calculated in accordance with Section 8.04(b).

## **ARTICLE 11: OBLIGATIONS OF THE AIRLINE AND THE CITY**

### **Section 11.01: Operation, Maintenance, Replacement and Repair**

(a) The City shall, in accordance with Exhibit H, operate, maintain and keep in good repair, expending such amounts for O&M Expenses as may be reasonably necessary therefor, all

of the areas and facilities of the Airport except as specifically excepted by Section 11.01(b), and except with respect to the Fuel System during the term of the MATCO Agreement as described in Section 11.06.

(b) The Airline shall, in accordance with Exhibit H, be responsible for and shall perform or cause to be performed, maintenance and repair of its Leased Premises. The Airline shall, at all times:

- (i) keep all fixtures, equipment and personal property in a clean, safe, sanitary and orderly condition and appearance;
- (ii) maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs, replacements and inside painting, such repairs, replacements and painting by the Airline to be of a quality and class not inferior to the original material and workmanship;
- (iii) for any equipment installed in or on the Leased Premises that is purchased using the proceeds of any financing sponsored by the City, repair, maintain and replace such equipment as is necessary to assure that at the end of the term hereof the fair market value of such equipment and its remaining useful life will be consistent with, and sufficient to establish for applicable tax and accounting purposes, ownership of such equipment by the City;
- (iv) control all of its vehicular traffic in the Airport, take all precautions reasonably necessary to promote the safety of its passengers, customers, employees, business visitors and other persons, and employ such means as may be necessary to direct the movements of its vehicular traffic; and
- (v) either directly or through an independent contractor (which independent contractor shall obtain a City permit), dispose of its garbage, debris and other waste materials (excluding snow and ice).

If the performance of any of the foregoing maintenance, repair, replacement or painting obligations of the Airline requires work to be performed near an active taxiway or runway or where safety of Airport operations might be involved, the Airline shall post guards or erect barriers or other safeguards as required and approved by the City and the FAA, at such locations. Compliance with such requirements shall not relieve the Airline from its liability for the safe performance of its obligations under this Agreement.

#### **Section 11.02: Taxes, Licenses and Permits**

(a) The Airline shall pay or cause to be paid any and all taxes and shall obtain or cause to be obtained any and all licenses, permits, certificates and other authorizations required by any governmental authority in connection with the operations or activities performed by it hereunder, including any and all taxes and other charges in connection with the Leased Premises.

(b) The City shall pay as an O&M Expense any and all applicable taxes or special assessments which may be levied or assessed upon the Leased Premises, except, however, any taxes associated with or assessed on any personal property or leasehold interests of the Signatory Airline located on such premises shall be the obligation of such Signatory Airline and, as such, shall be paid by such Signatory Airline and not by the City.

#### **Section 11.03: Performance by the City upon Failure of the Airline**

If the Airline fails to perform, for a period of thirty (30) days after written notice from the City, any obligation required by this Article 11, the City may perform such obligation of the Airline, and charge the Airline for the cost to the City of such performance; *provided, however*, that if the Airline's failure to perform any such obligation endangers the health or safety of persons or the safety of operations at the Airport and the City so states in its notice to the Airline, the City may perform such obligation of the Airline at any time after the giving of such notice and charge the Airline for its costs of such performance.

#### **Section 11.04: Performance by the Airline upon Failure of the City**

If the City fails to perform, for a period of thirty (30) days after written notice from the Airline, any obligation required by Section 11.01(a), the Airline may, but is not required to, perform, by itself or jointly with any other Airline Parties, such obligation of the City, and charge the City for the cost to the Airline of such performance; *provided, however*, that if the City's failure to perform any such obligation endangers the safety of the Airline's operation at the Airport and the Airline so states in its notice to the City, the Airline may perform, by itself or jointly with any other Airline Parties, such obligation of the City at any time after the giving of such notice and charge the City for its costs of such performance; and *provided, further*, that in either event, the Airline shall not deduct any such cost from any amounts due hereunder or under any other agreement between the Airline and the City relating to the Airport. The City shall not be liable to the Airline for any loss of revenues to the Airline resulting from any of the City's acts, omissions or negligence in maintaining and operating the Airport.

#### **Section 11.05: Utilities**

The Airline shall be responsible for paying all utilities provided to the Airline, its Contractors, agents and employees at the Leased Premises.

#### **Section 11.06: Midway Airlines' Terminal Consortium (MATCO)**

(a) The costs incurred by MATCO to operate and maintain certain airline equipment and the Fuel System in accordance with the MATCO Agreement shall be O&M Expenses of the Equipment Cost Center and the Fueling Cost Center, as appropriate, payable by the City to MATCO from amounts on deposit in the O&M Fund within sixty (60) days of receipt by the City from MATCO of invoices therefor, unless, prior to the expiration of such sixty (60) day period, the City returns such invoices to MATCO because they are incomplete or because they are not properly payable as O&M Expenses of the Equipment Cost Center or the Fueling Cost Center, as the case may be.

(b) The provisions of Section 8.10 and Section 8.11 notwithstanding, during the term of the MATCO Agreement, the City shall charge the Signatory Airlines and Non-Signatory Airlines equipment fees and fueling fees for each Fiscal Year calculated as set forth in the MATCO Agreement. Such fees shall, in any case, be calculated in a manner sufficient to pay the Equipment Cost Center requirement and Fueling Cost Center requirement for each Fiscal Year.

## ARTICLE 12: WORK

### Section 12.01: Work in Connection with Capital Projects

Work on any capital project shall be performed in accordance with this Section 12.01.

The City may perform Work on capital projects directly, using its own forces; indirectly, through contractors hired by the City; or through others, including the Airline, delegated by the Commissioner in writing to perform the City's Work on capital projects; *provided, however*, that with respect to Airline Project Contracts the City shall be named as a third party beneficiary with a direct right of enforcement. When so delegated to the Airline, Work on Airline Projects shall be performed by the Airline in accordance with this Agreement and the Work Procedures set forth in Exhibit J. The City, in its discretion, may pursue remedies against Airline Project Contractors for Work with respect to Airline Projects. The City shall not delegate Work to the Airline without the Airline's prior written consent.

Each Airline Project Contract for Work in an amount in excess of \$5,000,000 for Airline Projects shall be publicly bid and awarded to the lowest responsive and responsible bidder; *provided, however*, that this requirement shall not apply if City determines in good faith that there is only one Airline Project Contractor with the resources and experience necessary to perform the Work, or when the Airline Project Contracts by their nature are not adapted to award by competitive bidding.

Work, whether performed by the City, the Airline or others, on projects described in Section 10.01(a) shall be performed in accordance with this Agreement and the procedures set forth in Exhibit K.

The City shall provide to the Airline at least quarterly, a status report on the implementation of the Pre-Approved Capital Projects. Such status report shall include the project description, current status (percentage of design/construction complete), budgeted amount and the current estimated cost, and such other information reasonably requested by the Airline.

### Section 12.02: Work in Connection with Airline Leased Premises

(a) The Airline shall have the right to perform Work on Leased Premises exclusively leased to the Airline at its own cost and expense, subject to the terms and conditions of this Agreement and to the provisions of Section 12.02(b) through (f).

(b) The Airline shall provide the City with a project liaison (the “**Project Liaison**”) through whom the City shall direct all communications regarding the Work. The Commissioner shall identify a work liaison (the “**Work Liaison**”) to the Airline through whom the Airline shall direct all communications regarding Work and from whom any necessary consents and approvals will be issued.

(c) The Airline shall provide the City with all drawings, plans and specifications necessary to allow the City to review and approve the interface points between Airline’s Work on such Leased Premises and the terminal building.

(d) The Airline shall submit to the City (i) initial and updated construction schedules (which shall be reviewed by the City for their impact and relation to other projects or operations at the Airport) indicating the proposed and/or actual sequence of all Work, and the estimated date of completion of the Work under each of Airline’s Contracts; (ii) initial and updated site utilization plans, including limit lines, on-site storage and office areas, and proposed temporary alterations or detours and support detours intended to maintain public access and support services, to, from, through or past operating facilities at the Airport; and (iii) copies of insurance policies and Contracts evidencing that the City has been named as an additional insured and indemnitee thereunder.

(e) The City shall have the right to stop Work in the event it is not being performed in substantial accordance with the terms and conditions of this Agreement or in accordance with the drawings, plans and specifications approved by the City under Section 12.02(c) above.

(f) In the event of termination or expiration of the term of this Agreement, if the Airline’s tenant improvements are attached or otherwise connected to the Leased Premises, the Airline must leave them or, if removed, repair the Leased Premises to the reasonable satisfaction of the City, reasonable wear and tear and changes in condition not attributable to the Airline excepted. Any tenant improvements left by the Airline shall be deemed abandoned and become the property of the City.

### **Section 12.03: Grant of Construction Easement**

The Airline, and any of its officers, employees, agents, and Contractors, shall be granted construction easements upon any part of the Airport, solely and to the extent necessary in connection with the performance of the Work hereunder, subject to the terms and conditions contained herein and those Rules and Regulations established by the Commissioner. The Airline shall provide advance notice through the Work Liaison to the City of any such intended entry. The consent to enter shall not create, nor be deemed to imply the creation of, any additional responsibilities on the part of the City.

The Airline shall use, and shall cause each of its officers, employees, agents, and Contractors, to use, the highest degree of care when entering upon any property owned by the City in connection with the Work. In the case of any property owned by the City, or property owned by and leased from the City, the Airline shall comply, and shall cause each of its officers, employees, agents and Contractors to comply, with any and all instructions and requirements for the use of such property, any licenses for which being hereby incorporated by reference. Any



and all claims, suits, judgments, costs or expenses, including attorneys' reasonable fees, arising from, by reason of, or in connection with any such entry shall be treated in accordance with the applicable terms and conditions of this Agreement, including the indemnification provisions contained in this Agreement.

#### **Section 12.04: Nondisturbance of Airport Tenants and Operations**

Any Work by the Airline and its Contractors shall be conducted in an orderly and proper manner, and shall not otherwise annoy, disturb, create a hazard or be offensive to others at the Airport, or interfere with other projects on, or the operations of, the Airport, both landside and airside. The Airline shall promptly comply, and shall cause its Contractors to comply, with any request from the Commissioner to correct the demeanor or conduct of the Contractors. In the event the Airline or its Contractors fail to so comply, Commissioner shall have the right to stop any or all Work being performed, until such compliance is achieved, without terminating this Agreement. The City shall not be responsible for any additional expense resulting from stopping Work.

#### **Section 12.05: Liens Prohibited**

(a) The Airline covenants and agrees that it shall notify its Contractors of any tier that, to the extent permitted by law, no mechanics' liens under 770 ILCS 60/1 will be permitted to arise, be filed or maintained against the Leased Premises or any part thereof or any interest therein or any improvements thereon, or against any monies due or to become due to any Contractors for or on account of any work, labor, services, materials, equipment or other items performed or furnished for or in connection with the Leased Premises; and the Airline for itself, its Contractors and employees does hereby expressly waive, release and relinquish such liens and all rights to file or maintain such liens and agrees further that this waiver of liens and waiver of the right to file or maintain such liens shall be an independent covenant.

(b) Except as permitted in Section 12.05(c), the Airline covenants and agrees that it shall keep the Leased Premises and any interest therein and any improvements thereon free and clear of any and all liens in any way arising out the construction, improvement or use thereof by the Airline; *provided, however*, that the Airline may in good faith contest the validity of any lien.

(c) If any of the Airline's Contractors, employees or any other person directly or indirectly acting for, through or under any of them files or maintains a lien or claim as described in Section 12.05(a), the Airline agrees to cause such liens and claims to be satisfied, removed or discharged, by bond, payment or otherwise within thirty (30) calendar days from the date of the filing thereof; *provided, however*, that the City may extend the thirty (30) day period if the City determines that such lien or claim cannot be so satisfied, removed or discharged in such period and that the Airline is proceeding diligently to cause such liens or claims to be satisfied, removed or discharged. Upon the Airline's failure to cause such liens or claims to be satisfied, removed or discharged, the City shall have the right, in addition to all other rights and remedies provided under this Agreement or by law, to cause such liens or claims to be satisfied, removed or discharged as an O&M Expense, such expense to include legal fees and disbursements.

(d) The Airline shall give, or cause to be given, a copy of the provisions set forth in this Section 12.05 to all Contractors and shall include these provisions in all written contracts with Contractors and/or give written notice of same to all Contractors or other persons having oral agreements with such Contractors.

#### **Section 12.06: Compensation**

(a) To the City

- (i) Within no less than thirty (30) days after receipt of an invoice from the Work Liaison in accordance with Section 12.06(a)(iii), the Airline shall compensate the Work Liaison for the cost of those services provided by the Work Liaison in connection with any Work performed by the Airline, whether involving Projects or tenant improvements. The Work Liaison agrees to keep its costs as low as reasonably practicable; *provided, however*, that in no event shall the aggregate amount of reimbursement to the Work Liaison hereunder exceed in any Fiscal Year during which any Work is or has been performed an amount equal to one and one-half percent of the aggregate expenditures for the Work; and *provided, further*, that the Work Liaison shall be entitled to an equitable adjustment of such amount in proportion to any increase in its services as a result of a change in the scope of Work or in the services.
- (ii) During the continuation of Work, the Work Liaison shall provide the Airline with an estimate of the Work Liaison's required manhours and budgets each month, with regard to its services. Thereafter, on a semi-annual basis, the Work Liaison shall provide the Airline with a detailed review and analysis of actual manhours and expenditures against estimates, including reallocation of budgets if required, with regard to its services. More frequent reviews will be provided upon the Airline's reasonable request therefor.
- (iii) The Work Liaison shall provide the Airline with monthly invoices that describe time charges for the Work Liaison staff assigned to the Work, and any other costs associated with the services provided by the Work Liaison. The Airline may, within ten (10) days of such provision, request a meeting with the Work Liaison to review and discuss such invoices. The Work Liaison shall hold such meeting or provide the Airline with a reasonable opportunity for such a meeting, and give due consideration to the Airline's concerns and recommendations regarding such invoices. The Airline may further request, at Airline's expense, the City to review and audit Work Liaison invoices related to the Work at any time. The Airline shall, upon reasonable request therefor, receive copies of all such audits performed by the City and may interview the personnel who performed such audits. In no event shall the Airline withhold from the Work Liaison the payment of any undisputed amount.

(b) To the Airline

- (i) Costs to be paid by the Airline by reason of or in connection with any Airline Project shall be payable from Airport funds as specified herein; *provided* that such costs are eligible for payment under this Agreement, and are either an Airline Project identified on Exhibit N or an Airline Project approved by a Majority-in-Interest. The City shall reimburse the Airline, from Airport funds approved for and available for such purpose, for the actual costs of the Work satisfactorily performed on such Project, not to exceed the cost associated therewith in Exhibit N or in a Majority-in-Interest approval authorizing the Airline Project (“**Authorized Cost**”). In the event it appears the Airline Project may exceed the Authorized Cost, the Airline shall promptly notify the City so that the City may either reduce the scope of work to bring the Airline Project within the Authorized Cost or obtain such approvals as may be necessary to increase the Authorized Cost. Upon notice to the City, the Airline shall be entitled to stop Work under such circumstances until the scope of Work is reduced or the Authorized Cost is increased. The Airline shall be solely responsible for any expenses incurred in excess of the Authorized Cost, except to the extent such excess costs have been approved by the City and, if required, a Majority-in-Interest. The Airline shall receive in accordance with the method set forth herein all Airline Project Costs for which it is obligated by reason of or in connection with the Work to be performed under this Agreement and Exhibit J. In the event the Airline assigns its contracts to the City, the City shall be entitled to all funds which the Airline would have received.
- (ii) The Airline shall submit a request for payment of Airline Project Contractors to the City in such form and content as may be reasonably requested by the City, including the certificate described herein. Such request shall be certified in writing by the Airline or by an authorized representative. With respect to any such requests for payment for Work, the Airline shall also submit partial or complete lien waivers, as appropriate, executed by Airline Project Contractors. Each request by the Airline for payment shall set forth the following: (A) the name of the person, firm, or corporation to whom the payment should be sent; the respective amount to be paid; (B) the purpose, by general classification, for which payment is to be made; (C) insofar as such payment obligation was incurred for Work, a certification that such Work was actually performed, and the request for payment is in accordance with the payment terms for such Work; (D) a certification that such costs are presently due and payable and each item thereof is a proper charge and has not been included in any prior request for payment which has been paid; and (E) each requisition will be consecutively numbered and accompanied by copies of appropriate documentation supporting the payments or reimbursements requested. Notwithstanding the foregoing, such certificate by the Airline may state that it is given without prejudice to any

rights which the Airline may have at the date of such certificate or may have in the future against any Airline Project Contractor.

- (iii) The Airline covenants that the proceeds disbursed to its Airline Project Contractors hereunder shall be applied solely to the purposes described in the request for disbursement.

(c) Retainage

The Airline shall deduct as retention from its invoiced amounts, ten percent (10%) of the amount invoiced for each Airline Project Contractor until a total of fifty percent (50%) of the amount due under each Airline Project Contract has been paid out, with a reduction to two percent (2%) upon the completion of the respective Work by each Airline Project Contractor. All such retainage shall be released to each Airline Project Contractor upon Airline Project Contract closeout in accordance with Exhibit J.

## ARTICLE 13: INDEMNIFICATION AND INSURANCE

### Section 13.01: Indemnification

(a) The Airline agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, officers, agents and employees from and against any and all loss, liability, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards and settlements, including payments of claims of liability resulting from any injury or death of any person or damage to or destruction of any property, arising out of:

- (i) the willful and wanton misconduct or negligent act or omission of the Airline, its agents, employees, licensees, Contractors;
- (ii) the Airline's use or occupancy of the Airport and the Leased Premises;
- (iii) the violation by the Airline of any agreement, warranty, covenant or condition of this Agreement, of any other contract, agreement, law, ordinance, regulation or court order affecting the Airport; or
- (iv) suits of whatever kind or nature alleging violations of any federal or state laws as a result of any actions taken by the Airline or the City, or obligations imposed upon the Airline or the City, pursuant to this Agreement;

and the Airline will, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.

(b) Without limiting the foregoing, the Airline also agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, officers, agents and employees:

- (i) from and against any and all claims or liability for compensation under any workers' compensation statute arising out of injuries sustained by any employee of the Airline. The Airline shall cause its licensees and Contractors to maintain in effect at all times workers' compensation insurance as required by law; and
- (ii) from, and to assume all liability for, and to pay, all taxes and assessments for payment of which the City may become liable and which by law may be levied or assessed on the Leased Premises occupied by the Airline pursuant to this Agreement, or which arise out of the operations of the Airline or by reason of the Airline's occupancy of its Leased Premises. However, the Airline may, at its own risk, cost and expense, and at no cost to the City, contest, by appropriate judicial or administrative proceedings, the applicability or the legal or constitutional validity of any such tax or assessment, and the City will, to the extent permitted by law, execute such documents as are necessary to permit the Airline to contest or appeal the same. The Airline shall be responsible for obtaining bills for all of said taxes and assessments directly from the taxing authority and shall promptly deliver to the City copies of receipts of payment. In the event the City receives any tax billings, it will forward said billings to the Airline as soon as practicable; and
- (iii) from and against any and all suits, claims, actions or proceedings alleging a taking of property or interests in property without just compensation, trespass, nuisance, property damage, personal injury or similar claims, actions, proceedings or suits based upon the environmental impacts resulting from the Airline's use of the Airport for the landing and taking-off of aircraft; and
- (iv) from and against any and all loss, claim, liability, damages, injunctive relief, injuries to person, property or natural resources, cost, expense, action or cause of action, arising as a result of action or inaction by the Airline, its employees, agents or Contractors in connection with the release, threatened release or presence of any Hazardous Material at the Airport, whether foreseeable or unforeseeable, regardless of the source of such release or threatened release or when such release or threatened release or presence occurred or is discovered. The foregoing indemnity includes all costs in law or in equity of removal, clean-up, remediation of any kind and disposal of such Hazardous Materials, all costs of determining whether the Airport is in compliance and causing the Airport to be in compliance with all applicable Environmental Laws and all costs associated with claims for damages to persons, property or natural resources.

(c) Without limiting the foregoing, the Airline shall cause any Contractor to agree to protect, defend, indemnify and hold the City free and harmless from and against any and all claims, damages, demands, and causes of action of all kinds including claims of property

damage, injury or death, in consequence of granting the relevant Contract or arising out of or being in any way connected with the Contractor's performance under this Agreement except for matters shown by final judgment to have been caused by or attributable to the City's negligence to the extent prohibited by 740 ILCS 35/1 *et seq.* The indemnification provided herein shall be effective to the maximum extent permitted by applicable statutes. Contractor shall be solely responsible for the defense of any and all claims, demands or suits against the City including claims by any employee, Contractors, agents or servants of Contractor even though the claimant may allege that the City is or was in charge of the work or that there was negligence on the part of the City. "Injury" or "damage," as such words are used in this Section 13.01 shall be construed to include injury or damage consequent upon the failure of or use or misuse by Contractor, its subcontractors, agents, servants or employees, of any scaffolding, hoist, cranes, stays, ladders, supports, rigging, blocking or any and all other kinds of items of equipment, whether or not the same be owned, furnished or loaned by the City.

(d) The City shall notify the Airline as soon as practicable of each claim, action, proceeding or suit in respect of which indemnity may be sought by the City against the Airline hereunder, setting forth the particulars of such claim, action, proceeding or suit, and shall furnish the Airline with a copy of all judicial filings and legal process and any correspondence received by the City related thereto.

(e) The City shall be invited to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings and to approve the terms of any settlement related to such claim, action, proceeding or suit.

(f) Without limiting the generality of any other provision hereof, the Airline shall reimburse the City for the cost of any and all reasonable attorney's fees and investigation expenses and any other costs incurred by the City in the investigation defense and handling of said suits and claims and in enforcing the provisions of this Agreement.

(g) Notwithstanding the provisions of this Section 13.01, the Airline shall have no obligation to indemnify the City for any amounts to be paid in connection with losses, liabilities, penalties, damages of whatever nature, causes of actions, suits, claims, demands, injunctive relief, judgments, awards and settlements solely and to the extent such are the result of the City's willful and wanton misconduct as determined by a final order of a court of competent jurisdiction (it being understood, however, that this Section 13.01(g) is not intended to obviate or lessen in any way the Airline's duty to defend the City).

(h) This Section 13.01 shall survive expiration or early termination of this Agreement. The Airline understands and agrees that any insurance protection furnished by the Airline pursuant to Section 13.02 shall in no way limit the Airline's responsibility to indemnify and hold harmless the City under the provisions of this Agreement.

#### **Section 13.02: Insurance**

(a) The Airline shall procure and maintain at all times, at the Airline's own expense, the types of insurance specified below, with insurance companies authorized to do business in

the State of Illinois, covering all operations under this Agreement, whether performed by the Airline or the Airline's Contractors. The kinds and amounts of insurance required are as follows:

(i) Workers' Compensation and Employer's Liability Insurance

Workers' Compensation Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement. Such insurance must include Employer's Liability Insurance coverage with limits of not less than \$1,000,000 each accident, illness or disease. Coverage shall include other states endorsement, alternate employer and voluntary compensation, when applicable.

(ii) Commercial General/Aviation Liability Insurance (Primary and Umbrella)

Commercial General/Aviation Liability Insurance or equivalent coverage with limits of not less than \$500,000,000 per occurrence for bodily injury, personal injury and property damage liability. Such insurance must include all premises and operations, products/completed operation, war risk and allied peril liability (including terrorism), liability for vehicles on the restricted access area of the Airfield Area, including baggage tugs, aircraft pushback tugs, air stair trucks and belt loaders, mobile equipment (not including automobiles not located on the restricted access area of the Airport), hangar keepers liability, cargo liability, explosion, collapse, underground, separation of insureds, defense and blanket contractual liability (not to include Endorsement CG 21 39 or equivalent). The City shall be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles are used in connection with work to be performed by or on behalf of the Airline, the Airline shall provide Automobile Liability Insurance with limits of not less than \$5,000,000 per occurrence combined single limit, for bodily injury and property damage for any owned, non-owned or hired autos; *provided, however*, that the Airline may reduce the foregoing amount to \$1,000,000 per occurrence combined single limit so long as the Airline's Commercial General/Aviation Liability Insurance or equivalent coverage includes excess auto liability. The City shall be named as an additional insured on a primary, non-contributory basis.

(iv) All Risk Builders Risk Insurance

When the Airline undertakes any construction at the Airport, including improvements, betterments or repairs, the Airline shall provide or cause its Contractor to provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of

the permanent facility. Coverage extensions must include boiler and machinery, earthquake and flood.

(v) All Risk Property Insurance

Whenever the Airline has control over any premises, All Risk Property Insurance shall be maintained at replacement cost covering all loss, damage, or destruction for such premises including improvements and betterments and property are the Airline's care, custody and control. Coverage must include boiler and machinery, earthquake, flood, sprinkler leakage (*provided* that the Airline may self-insure sprinkler leakage coverage in accordance with Section 13.02(k)) and debris removal. The City must be named as an additional insured and loss payee.

The Airline shall be responsible for all loss or damage to personal property owned, rented or used by the Airline.

(vi) Professional Liability

When any architects, engineers, project managers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions must be maintained by such architects, engineers, project managers, construction managers or other professional consultants with limits of not less than \$2,000,000; *provided, however*, that design and construction architects, engineers, project managers, construction managers or other professional consultants who perform work with respect to any construction project undertaken by the Airline pursuant to this Agreement must maintain limits of not less than \$5,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the contract. A claims made policy that is not renewed or replaced must have an extended reporting period of at least two (2) years.

(vii) Pollution Legal Liability Insurance

Pollution Legal Liability Insurance must be provided covering bodily injury, property damage and any other losses caused by pollution conditions with limits of not less than \$5,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal, including receiving, dispensing, transporting, removing, and handling fuels or any other pollutants. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the contract. A claims made policy that is not renewed or replaced must have an extended reporting period of at least two (2) years. The Airline may self-insure this coverage in accordance with Section 13.02(k).



(b) The Airline will furnish the Commissioner with original Certificates of Insurance and a copy of the additional insured endorsements evidencing the coverage required to be in force on the date of this Agreement, and renewal Certificates of Insurance and additional insured endorsements, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement.

(c) The insurance hereinbefore specified shall be carried during the term of this Agreement. Failure to carry or keep such insurance in force shall constitute a violation of the Agreement, for which the City may terminate this Agreement, suspend the right of the Airline to operate at the Airport or exercise any of the City's other remedies under this Agreement until proper evidence of insurance is provided.

(d) All insurance policies shall provide for sixty (60) days' prior written notice to the City prior to the effective date of any material change that adversely affects the City, cancellation or termination of such coverage.

(e) In each contract with any Contractor, the Airline shall require such Contractor to obtain insurance coverages that are reasonably comparable to the coverages required herein and are reasonably appropriate in their limits and other terms and conditions to the nature of the contract and standard in the industry within which such Contractor practices. Such coverages shall insure the interests of the City, its employees, elected officials, agents and representatives in respect of the applicable work being performed. When requested by the City, the Airline shall provide, or cause to be provided, to the City certificates of insurance and copies of additional insured endorsements or such other evidence of insurance, acceptable in form and content to the City.

(f) The Airline expressly understands and agrees that any insurance coverages and limits furnished by the Airline shall in no way limit the Airline's liabilities and responsibilities specified within the contract documents or by law.

(g) The Airline and its insurers hereby waive, and the Airline shall cause each Contractor and each Contractor's insurers to waive, their respective rights of subrogation against the City, including the City's appointed and elected officials, agents and employees; *provided, however,* that the foregoing waiver with respect to any insurers applies only with respect to All Risk Property Insurance.

(h) The Airline hereby waives any claim to recover damages incurred to property owned by the Airline.

(i) The Airline expressly understands and agrees that any insurance maintained by the City shall apply in excess of and not contribute with insurance provided by the Airline under this Agreement.

(j) With respect to Work performed under or incident to this Agreement, the Airline further agrees to obtain and maintain insurance acceptable to the City which is primary as to any other existing, valid and collectible insurance and which names the City as additional insured to cover any and all of the City's comparative fault or negligence in granting, or arising out of or incident to the City's acts or omissions with respect to this Agreement.

Further, the insurance to be carried shall be in no way limited by any limitations expressed in the indemnification language herein nor any limitation placed on the indemnity therein given as a matter of law. The insurance shall cover and include any and all of the City's negligence or comparative fault under this contract. The Airline by executing this contract expressly waives any right of contribution against the City and all damages, claims, expenses and costs shall be satisfied from the proceeds of the insurance provided for herein.

(k) The Airline may not self-insure any portion of any limit of primary coverage required hereunder unless specifically permitted under this Section 13.02. It is understood that in any instance in which the Airline is permitted to and chooses to self-insure a portion of the limit of primary coverage required hereunder, the Airline, as a self-insurer, has the same duties and obligations to the City and to the City's liability insurer(s) as a primary liability insurer has to excess insureds and excess insurers under a standard ISO policy form even though the Airline's self-insurance is not on a standard ISO form.

(l) The Airline shall not do or permit to be done anything, either by act or failure to act, which shall cause cancellation of any policy of insurance required hereunder or any policy maintained by the City.

(m) The City maintains the right to modify, delete, alter or change the requirements set forth under this Section 13.02.

### **Section 13.03:City's Insurance**

The City shall maintain liability and property insurance as deemed appropriate by the City for the Airport and as may be required by any Bond Ordinance.

## **ARTICLE 14: DAMAGE, DESTRUCTION AND CONDEMNATION**

### **Section 14.01:Damage to, Destruction or Condemnation of Airport**

If the Airport or any portion thereof shall be damaged or destroyed or is taken as a result of an eminent domain proceeding, all insurance proceeds or proceeds resulting from eminent domain proceedings, as the case may be, shall be applied as provided below:

(a) the City shall replace, repair, rebuild or restore such portion of the Airport to substantially the same condition as that which existed prior to such damage, destruction or taking, with any alterations and additions as the City may determine; or

(b) the City shall apply such proceeds to redeem any outstanding Bonds; *provided, however,* that Bonds may be redeemed only if such damage, destruction or condemnation is of property the acquisition of which was funded with the proceeds of Bonds, and if: (i) the Airport has been restored to substantially the same condition as it had been prior to such damage, destruction or taking; or (ii) the City has determined that the portion of the Airport damaged, destroyed or taken is not necessary to the operation of the Airport.

In the event that sufficient insurance proceeds or proceeds from eminent domain proceedings are not available to restore the Airport to such former condition, the City may issue Bonds to fund such deficiency pursuant to Section 10.04(a). The City shall use reasonable efforts to notify the Airline of the City's determination whether to proceed pursuant to subsection (a) or (b) above, within six (6) months of the date of such damage, destruction or taking.

#### **Section 14.02: Untenantable Conditions**

If the Leased Premises occupied by the Airline hereunder, or any substantial portion thereof, are damaged or destroyed and thereby rendered untenantable, and no Bonds are then outstanding, then, unless the City provides the Airline with alternative Leased Premises reasonably satisfactory to the Airline, (a) the Airline shall not be obligated to pay Terminal Rentals for such untenantable portion during such time as it remains untenantable, and (b) if such untenantable portion remains untenantable for more than one (1) year, the Airline shall be entitled, upon forty-five (45) days' prior written notice to the City, to delete such untenantable portion from its Leased Premises; *provided* that there shall be no abatement or reduction of Terminal Rentals or deletion from its Leased Premises at any time when Bonds, the proceeds of which funded the acquisition or the funding of such Leased Premises, are outstanding or where the untenantable condition is caused by the willful or negligent act or omission of the Airline, its agents, employees, licensees, Contractors, passengers, guests or invitees.

### **ARTICLE 15: RULES AND REGULATIONS; COMPLIANCE WITH LAWS**

#### **Section 15.01: Rules and Regulations**

(a) The Airline shall comply, and shall cause its agents, employees, passengers, guests, invitees and Contractors to comply, with all Rules and Regulations governing the conduct at and the operations of the Airport, promulgated from time to time by the Commissioner. The City shall provide the Airline with access to or a written copy of the Rules and Regulations.

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

#### **Section 15.02: Observance and Compliance with Laws**

(a) The Airline shall, and shall cause its agents, employees, Contractors and licensees to, observe and comply with, and pay all taxes and obtain all licenses, permits, certificates and other authorizations required by, all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, including all rules, regulations and directives of the Federal Aviation Administration or any successor agency thereto. The Airline agrees to make a part of and incorporate into this Agreement, by reference or by setting forth at length, at the option of the City, any and all statutes, rules and regulations and any assurances and covenants

required pursuant thereto which may now or hereafter be required by the Federal Aviation Administration or any successor agency thereto, or other federal, state, county or municipal agency. To the extent applicable, the Airline shall comply with the provisions of Exhibits L and M. Exhibits L and M may be amended by agreement of the Airline and the Commissioner. Further, the Airline shall execute and shall cause its Project Contractors to execute a Contractor's Affidavit in the form provided by the City.

(b) The City shall operate and maintain the Airport in a reasonably prudent manner and in accordance with the laws, rules, regulations and orders of any federal, state, county or municipal agency having jurisdiction with respect thereto, including with respect to this Agreement and in the promulgation and enforcement of the Rules and Regulations.

(c) The Airline shall operate and maintain the Leased Premises in a reasonably prudent manner and in accordance with the laws, rules, regulations and orders of any federal, state, county or municipal agency having jurisdiction with respect thereto.

(d) Notwithstanding anything herein to the contrary, references herein to a statute or law shall be deemed to be a reference to (i) such statute or law as may be amended from time to time, (ii) all regulations, rules, executive orders, policies and instructions pertaining to or promulgated pursuant to such statute or law, and (iii) all future statutes, laws, regulations, rules, executive orders, policies and instructions pertaining to the same or similar subject matter.

### **Section 15.03: Compliance with Environmental Laws**

The Airline shall, in conducting any activity or business on the Leased Premises, including environmental response or remedial activities, comply with all applicable Environmental Laws, including Environmental Laws regarding the generation, storage, use, transportation and disposal of solid wastes, Hazardous Materials or Special Wastes and regarding releases or threatened releases of Hazardous Materials or Special Wastes into the environment.

(a) Review of Environmental Documents. The Airline, at the request of the City, shall make available for inspection and copying upon reasonable notice and at reasonable times, any or all of the documents and materials the Airline has prepared pursuant to any applicable Environmental Law or submitted to any governmental regulatory agency; *provided* that such documents and materials relate to environmental issues or Environmental Laws and are pertinent to the Airport or the Leased Premises. If any applicable Environmental Law requires the Airline to file any notice or report of a release or threatened release of Hazardous Materials or Special Wastes on, under or about the Leased Premises or the Airport, the Airline shall provide a copy of such report or notice to the City and, to the extent practicable, shall consult with the City prior to submitting such notice or report to the appropriate governmental agency.

(b) Access for Environmental Inspection. The City shall have access to the Leased Premises to inspect the same in order to confirm that the Airline is using the Leased Premises in accordance with all of the applicable Environmental Laws. The Airline, at the request of the City (after reasonable consultation with the Airline) and at the Airline's expense, shall conduct such testing and analysis as is reasonable and necessary to ascertain whether the Airline is using the Leased Premises in compliance with all applicable Environmental Laws. Any such tests and

analysis shall be conducted by qualified independent experts chosen by the Airline and subject to the City's approval. Copies of reports from any such testing and analysis shall be provided to the City upon receipt by the Airline.

(c) Environmental Noncompliance. If the Airline fails to comply with any applicable Environmental Laws, the City, in addition to its rights and remedies provided in Article 16 below, may enter the Leased Premises and take all reasonable and necessary measures, at the Airline's expense, to ensure compliance with applicable Environmental Laws.

(d) Duty to Notify City. In the event of a release or threatened release of Hazardous Materials or Special Wastes into the environment relating to or arising out of the Airline's use or occupancy of the Leased Premises or in the event any claim, demand, action or notice is made against the Airline regarding the Airline's failure or alleged failure to comply with any Environmental Laws, the Airline promptly shall notify the City in writing and shall provide the City with copies of any written claims, demands, notices, or actions so made.

(e) Environmental Remediation. The Airline shall undertake such steps to remedy and remove any Hazardous Materials and Special Wastes and any other environmental contamination as are caused by the Airline on or under the Leased Premises, as are necessary to protect the public health and safety and the environment from actual or potential harm and to bring the Leased Premises into compliance with all applicable Environmental Laws. Such work shall be performed at the Airline's sole expense after the Airline submits to the City a written plan for completing such work and receives the prior written approval of the City, which approval shall not be unreasonably withheld. The City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The cost of such review and inspection shall be paid by the Airline. Specific cleanup levels for any environmental remediation work shall be designed to meet all applicable Environmental Laws. In the event that the City is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Leased Premises caused by the action or inaction of the Airline, the Airline shall defend the City and indemnify and hold harmless the City from any costs, damages or fines resulting therefrom.

(f) National Emission Standards for Hazardous Air Pollutants. The Airline warrants that all Work performed pursuant to this Agreement shall be performed in accordance with any applicable National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 C.F.R. 61.145.

#### **Section 15.04: Compliance with FAA Standards**

The Airline shall comply, and shall cause its Contractors to comply, with all laws, rules and regulations promulgated by the FAA including the following:

(a) Prohibition Against Exclusive Rights. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to conduct an Air Transportation Business as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and the City reserves the right to grant to others the privileges and right of conducting any or all activities of an aeronautical nature.

(b) Government Inclusion. The Airline covenants and agrees that this Agreement shall be subordinated to the provisions of any existing or future agreement between the City and the United States Government, the execution of which has been or will be required as a condition precedent to the granting of federal funds for the development of the Airport. The Airline further agrees that it shall not cause the City to violate any assurances made by the City to the federal government in connection with the granting of such federal funds.

(c) Non-Discrimination. This Agreement involves the use of or access to space on, over or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public. The Airline, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (a) no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (b) that no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (c) that Airline shall use the premises in compliance with all other requirements imposed by or pursuant to regulations of the Department of Transportation.

(d) Non-Discrimination in Furnishing Services. The Airline agrees to furnish services in the United States in compliance with federal law and on a fair and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit of service; *provided* that the Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions.

#### **Section 15.05: Anti-Scofflaw**

The Airline hereby represents and warrants and shall cause each of its Project Contractors to represent and warrant, that the Airline or such Project Contractor, as the case may be, is not in violation of Section 2-92-380 of the Municipal Code, and further represents and warrants that, in the event of any such violation, the City shall be entitled to set off from those amounts invoiced by the Airline an amount equal to the amount of any fines or penalties owed to the City, subject to those exceptions stated in the Municipal Code.

#### **Section 15.06: Ethics**

The Airline hereby represents and warrants and shall cause each of its Project Contractors to represent and warrant that the Airline or such Project Contractor, as the case may be, is not in violation of Chapter 2-156 of the Municipal Code. Any contract negotiated, entered into, or performed in violation of said chapter shall be invalid and without any force whatsoever.

#### **Section 15.07: Inspector General and Legislative Inspector General**

The Airline understands and will abide by the provisions of Chapters 2-55 and 2-56 of the Municipal Code. The Airline acknowledges and agrees that it shall be the duty of the Airline and its Project Contractors and all their and all officers, directors, agents, partners and employees

to cooperate with the Inspector General or Legislative Inspector General of the City in any investigation or hearing undertaken pursuant to Chapter 2-55 or 2-56 of the Municipal Code.

All contracts with Project Contractors must inform Project Contractors of this provision and require understanding and compliance with it.

**Section 15.08: Business Relationships With Elected Officials Municipal Code Section 2-156-030(b)**

The Airline understands and will abide by the provisions of Section 2-156-030 of the Municipal Code. Pursuant to Municipal Code Section 2-156-030(b), it is illegal for any elected official of the city, or any person acting at the direction of such official, to contact, either orally or in writing, any other city official or employee with respect to any matter involving any person with whom the elected official has a business relationship, or to participate in any discussion in any city council committee hearing or in any city council meeting or to vote on any matter involving the person with whom an elected official has a business relationship. Violation of Municipal Code Section 2-156-030(b) by any elected official with respect to this contract will be grounds for termination of this contract. The term business relationship is defined as set forth in Municipal Code Section 2- 156-080.

Municipal Code Section 2-156-080 defines a “business relationship” as any contractual or other private business dealing of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a financial interest, with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; *provided, however*, a financial interest shall not include: (a) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (b) the authorized compensation paid to an official or employee for his office or employment; (c) any economic benefit provided equally to all residents of the city; (d) a time or demand deposit in a financial institution; or (e) an endowment or insurance policy or annuity contract purchased from an insurance company. A contractual or other private business dealing will not include any employment relationship of an officials spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

**Section 15.09: Shakman Accord**

The City is subject to the May 31, 2007 Order entitled “Agreed Settlement Order and Accord” and the June 24, 2011 “City of Chicago Hiring Plan” entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the Agreed Settlement Order and Accord and the City of Chicago Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

The Airline is aware that City policy prohibits City employees from directing any individual to apply for a position with the Airline, either as an employee or as a contractor, and

from directing the Airline to hire an individual as an employee or as a contractor. Accordingly, the Airline must follow its own hiring and contracting procedures, without being influenced by City employees.

**Section 15.10: Prohibition on Certain Contributions, Mayoral Executive Order 2011-4**

No Identified Parties shall make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee (as such term is defined in Municipal Code Chapter 2-156) (a) after execution of this Agreement by the Airline, (b) while this Agreement or another agreement between the Airline and the City (an "**Other Contract**") is executory, (c) during the term of this Agreement or any Other Contract, or (d) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

From the date the City approached the Airline or the date the Airline approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to the Mayor's political fundraising committee.

The Airline shall not (i) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (ii) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (iii) bundle or solicit others to bundle contributions to the Mayor or to the Mayor's political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this Section 15.10 or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this Section 15.10 or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Section 15.10 or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement and any Other Contract, for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including termination for default) under this Agreement, under any Other Contract, at law and in equity. This Section 15.10 amends any Other Contract with respect to the matters described herein and supersedes any inconsistent provision contained therein.

**Section 15.11: No Waste Disposal in Public Way Municipal Code Section 11-4-1600(E)**

The Airline warrants and represents that it has not violated and is not in violation of the following sections of the Municipal Code (collectively, the "**Waste Sections**"):

- 7-28-390 Dumping on public way;
- 7-28-440 Dumping on real estate without permit;
- 11-4-1410 Disposal in waters prohibited;
- 11-4-1420 Ballast tank, bilge tank or other discharge;



- 11-4-1450 Gas manufacturing residue;
- 11-4-1500 Treatment and disposal of solid or liquid;
- 11-4-1530 Compliance with rules and regulations required;
- 11-4-1550 Operational requirements; and
- 11-4-1560 Screening requirements.

During the period while this Agreement is executory, the Airline's violation of the Waste Sections, whether or not relating to this Agreement, constitutes a breach of and an event of default under this Agreement. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity.

This Section 15.11 does not limit the Airline's duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement.

**Section 15.12: Visual Artists Rights Act Waiver**

The Airline will ensure that in the event any Artwork is installed in the Leased Premises or other portions of the Airport, the author of that Artwork waives any and all rights in the Artwork that may be granted or conferred on the Artwork under Section 106A(a)(3) and Section 113(d) of the Copyright Act. The above waiver must include, but is not limited to, the right to prevent the removal, storage, relocation, reinstallation or transfer of the Artwork. The Airline will ensure that the author of the Artwork acknowledges that such removal, storage, relocation, reinstallation or transfer of the Artwork may result in the destruction, distortion, mutilation or other modification of the Artwork. Further, the Airline will ensure that the author of the Artwork acknowledges that the Artwork may be incorporated or made part of a building or other structure in such a way that removing, storing, relocating, reinstalling or transferring the Artwork will cause the destruction, distortion, mutilation or other modification of the Artwork and consents to such destruction, distortion, mutilation or other modification, by reason of its removal, storage, relocation, or reinstallation.

The Airline represents and warrants that it will obtain a written waiver of all rights under Section 106A(a)(3) and Section 113(d) of the Copyright Act as necessary from any employees, contractors, subcontractors, subtenants or artists. The Airline must provide the City with copies of all such waivers prior to installation of any Artwork on the Leased Premises or other portions of the Airport.

**ARTICLE 16: DEFAULT, TERMINATION AND CHANGE OF LEASE TERM**

**Section 16.01: Events of Default**

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

(a) The Airline shall become insolvent (as such term is defined under Section 101 of the Federal Bankruptcy Code; or shall fail to pay its debts generally as they mature; or shall take the benefit of any present or future federal or state insolvency statute; or shall make a general assignment for the benefit of creditors.

(b) The Airline shall file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or of any state thereof; or consent to the appointment of a receiver, trustee, custodian, liquidator or other similar official, of all or substantially all of its property; or an order for relief shall be entered by or against the Airline under any chapter of the Federal Bankruptcy Code.

(c) By order or decree of a court, the Airline shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of its stockholders, seeking its reorganization or the restructuring of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or any state thereof and such order or decree shall not be stayed or vacated within sixty (60) days of its issuance.

(d) A petition under any chapter of the Federal Bankruptcy Code or an action under any federal or state insolvency law or statute shall be filed against the Airline and shall not be dismissed or stayed within sixty (60) days after the filing thereof.

(e) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, custodian, liquidator or other similar official shall take possession or control of all or substantially all of the property of the Airline and such possession or control shall continue in effect for a period of sixty (60) days.

(f) The Airline shall become a corporation in dissolution.

(g) The letting, license or other interest of or rights of the Airline hereunder shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm, corporation or other entity, by, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceedings or occurrence described in Section 16.01(a) through (e).

(h) The Airline shall fail to duly and punctually pay any Airline Fees and Charges required to be paid hereunder or shall fail to make payment of any other sum required to be paid to the City pursuant to this Agreement on or prior to the date such payment is due or, with respect to any amount for which no payment date is provided herein, then ten (10) business days after written notice of the amount of such payment has been given to the Airline or an invoice for such payment has been submitted to the Airline.

(i) The Airline shall fail to keep, perform and observe any promise, covenant or other provision of this Agreement for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Airline by the City; *provided, however*, that any such failure which can be remedied, but which cannot with due diligence be remedied within such thirty (30) day period, shall not give rise to the City's right to terminate this

Agreement if corrective action is instituted by the Airline within such thirty (30) day period and diligently pursued until the failure is remedied.

(j) The Airline shall fail to perform Work in accordance with this Agreement, including the Airline Project Procedures set forth in Exhibit J, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Airline by the City; *provided, however*, that any such failure which can be remedied, but which cannot with due diligence be remedied within such thirty (30) day period, shall not give rise to the City's right to terminate this Agreement if corrective action is instituted by the Airline within such thirty (30) day period and diligently pursued until the failure is remedied.

(k) Any lien shall be filed against the Leased Premises or any portion thereof resulting from any act or omission of the Airline, and shall not be discharged within thirty (30) days, unless the Airline shall within the aforesaid thirty (30) days furnish the City such security as the Commissioner in his or her discretion determines to be adequate to protect the interests of the City.

(l) The Airline shall discontinue its Air Transportation Business at the Airport for a period of thirty (30) consecutive days or for a period of sixty (60) nonconsecutive days whenever occurring in the aggregate in any Fiscal Year or, after exhausting or abandoning any further appeals, the Airline shall be prevented for a period of thirty (30) consecutive days by action of any governmental agency other than the City from conducting its Air Transportation Business at the Airport.

(m) The Airline shall cease using or abandon substantially all of its Leased Premises for a period of thirty (30) days.

(n) The Airline shall make any purported Transfer without the consent of the City, as set forth in Section 4.03.

(o) The Airline shall fail to maintain its corporate existence or to remain duly qualified to do business in the State of Illinois or the Airline shall dissolve or otherwise dispose of all or substantially all of its assets or shall consolidate with or merge into another corporation; *provided, however*, that it shall not be an Event of Default if the Airline consolidates with or merges into a wholly owned subsidiary of the Airline.

(p) The Airline shall default in the payment, when due, of any amounts now or hereafter owing by the Airline under any special facility agreement executed in accordance with Section 10.08.

(q) The Airline shall fail to meet any of the security deposit requirements set forth in Section 9.06.

(r) The Airline shall fail to transmit to the City PFCs on a timely basis in accordance with the PFC Regulations or shall fail to comply with the provisions of Section 17.02.

(s) The Airline shall violate the Waste Sections of the Municipal Code as set forth in Section 15.11.

## **Section 16.02: Termination by the City**

(a) Whenever an Event of Default has occurred and is continuing, the City may, at its option, immediately and without prior notice of such Event of Default:

- (i) terminate this Agreement and the lettings, licenses and other rights of the Airline hereunder, without discharging any of the Airline's obligations hereunder and, at the City's further option, exclude the Airline from its Leased Premises and assigned aircraft parking positions;
- (ii) without terminating this Agreement, exclude the Airline from its Leased Premises and assigned aircraft parking positions and use its best efforts to lease such Leased Premises to another airline for the account of the Airline, holding the Airline liable for all Airline Fees and Charges and other payments due hereunder up to the effective date of such leasing and for the excess, if any, of the Airline Fees and Charges and other amounts payable by the Airline under this Agreement for the remainder of the term of this Agreement over the rentals and other amounts which are paid by such new airline under such new agreement; or
- (iii) without terminating this Agreement, request that the Airline cease performing the Work.

In addition, the City may, from time to time, take whatever action at law or in equity appears necessary or desirable to collect Airline Fees and Charges and any other amounts payable by the Airline hereunder then due and thereafter to become due, and to enforce the performance and observance of any obligation, agreement or covenant of the Airline under this Agreement.

(b) The remedies set forth in this Article, shall be in addition to all other remedies which are or may be available to the City at law or in equity.

(c) All rights and remedies hereinbefore given to the City and all rights and remedies given to the City by law, shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Leased Premises or assigned aircraft parking positions shall deprive the City of any of the City's remedies or actions against the Airline for Airline Fees and Charges or for damages or for the breach of any covenant herein contained, nor shall the bringing of any action for Airline Fees and Charges or breach of covenant, or the resort to any other remedy herein provided for the recovery of Airline Fees and Charges be construed as a waiver of the right to obtain possession of the Leased Premises or assigned aircraft parking positions.

(d) In no event shall this Agreement or any rights or privileges hereunder be an asset of the Airline under any bankruptcy, insolvency or reorganization proceedings.

### **Section 16.03: Change of Lease Term**

(a) Notwithstanding the provisions of Section 2.01, automatically and immediately upon the occurrence of an Event of Default described in Section 16.01(a), (k), (l), (m), (n), (o), (p), (q) or (r), the term of this Agreement shall convert to month-to-month, commencing on the date of the automatic conversion and shall terminate upon thirty (30) days written notice from the City to the Airline, or from the Airline to the City.

(b) The conversion of the term of this Agreement pursuant to this Section 16.03 shall not discharge any of the Airline's obligations hereunder nor affect any of the City's other remedies set forth herein.

### **Section 16.04: Pursuit of Remedies Against Defaulting Airline Parties**

A default by any Signatory Airline in the payment of Airline Fees and Charges pursuant to Section 9.02 or indemnification payments may, if not cured, result in a greater amount of Airline Fees and Charges payable by the Airline than would otherwise have been required. Accordingly, the City shall diligently pursue all remedies deemed appropriate by the City against any such defaulting Signatory Airline on behalf of and for the benefit of the non-defaulting Signatory Airlines, including the Airline, and shall give due consideration to any comments submitted to the City by the Airline with respect to the pursuit of such remedies.

### **Section 16.05: Termination by the Airline Prior to Payment of Bonds**

At any time that Bonds are outstanding, and if the Airline is not in default hereunder, the Airline may terminate this Agreement and its obligations hereunder as to the Leased Premises to the extent set forth below, at Airline's option, prior to the scheduled expiration date set forth in Section 2.01 by giving the City sixty (60) days' advance written notice by registered or certified mail upon or after the happening and during the continuance of any of the following events:

(a) any action of the Federal Aviation Administration or any other federal, state, county or municipal governmental agency refusing to permit the Airline to operate into, from or through the Airport such aircraft (licensed for use in scheduled air transportation) as the Airline may reasonably desire to operate regularly thereon, and the remaining in force of such refusal for a period of at least sixty (60) days;

(b) the Airline is prevented from conducting its Air Transportation Business at the Airport for a period of one hundred eighty (180) consecutive days for any reason other than its own fault; or

(c) in the event "slot controls," "noise mitigation" restrictions, FAA regulations or other similar governmental regulations are imposed upon the Airline or the Airport, thereby substantially impairing the Airline's ability to operate at the Airport.

The Airline may terminate this Agreement and its obligations hereunder as to all or any portion of Leased Premises upon the occurrence of an event set forth in Section 16.05(a) or (b). Upon the occurrence of an event pursuant to Section 16.05(c), the Airline may terminate only

such portion of its obligations hereunder as to the Leased Premises as are directly and substantially affected by the Airline's impaired ability to operate at the Airport.

#### **Section 16.06: Termination by the Airline After Payment of Bonds**

At any time that no Bonds are then outstanding, and if the Airline is not in default hereunder, the Airline may terminate this Agreement and its obligations hereunder to the extent set forth below, at Airline's option, prior to the scheduled expiration date set forth in Section 2.01 by giving the City sixty (60) days' advance written notice by registered or certified mail upon or after the happening and during the continuance of any of the following events:

(a) any action of the Federal Aviation Administration or any other federal, state, county or municipal governmental agency refusing to permit the Airline to operate into, from or through the Airport such aircraft (licensed for use in scheduled air transportation) as the Airline may reasonably desire to operate regularly thereon, and the remaining in force of such refusal for a period of at least sixty (60) days;

(b) any failure by the City to keep, perform and observe any material promise, covenant or other provision of this Agreement for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the City by the Airline; *provided, however*, that any such failure which can be cured, but which cannot with due diligence be cured within such thirty (30) day period, shall not give rise to the Airline's right to terminate this Agreement if corrective action is instituted by the City within such thirty (30) day period and diligently pursued until the failure is corrected;

(c) the Airline is prevented from conducting its Air Transportation Business at the Airport for a period of one hundred eighty (180) consecutive days for any reason other than its own fault; or

(d) in the event "slot controls," "noise mitigation" restrictions, FAA regulations or other similar governmental regulations are imposed upon the Airline or the Airport thereby substantially impairing the Airline's ability to operate at the Airport.

The Airline may terminate this Agreement and its obligations hereunder as to all or any portion of Leased Premises upon the occurrence of an event set forth in Section 16.06(a), (b) or (c). Upon the occurrence of an event pursuant to Section 16.06(d), the Airline may terminate only such portion of its obligations hereunder as to the Leased Premises as are directly and substantially affected by the Airline's impaired ability to operate at the Airport.

#### **Section 16.07: Termination by the Airline in the Event of a New Airport**

(a) In the event that a new commercial passenger service airport is opened and operating and such airport has a direct impact on the operations of the Airport, the Airline shall have the right to terminate this Agreement effective December 31, 2022. For purposes of this provision, a direct impact on the operations of the Airport shall mean either (i) the closure of the Airport; or (ii) material limitations on operations at the Airport. The Airline may exercise its termination rights pursuant to this Section 16.07 by giving the City sixty (60) days advance written notice by registered or certified mail.

(b) In the event a new commercial passenger service airport which the City owns or controls, in whole or in substantial part, and having a level of annual operations at least equal to the Airport, is opened and operating within fifty (50) miles of the Airport, the Airline shall have the right to terminate this Agreement prior to the scheduled expiration date set forth in Section 2.01 by giving the City sixty (60) days' advance written notice by registered or certified mail. This provision shall not apply with respect to the Gary-Chicago International Airport.

**Section 16.08: City and Airline Covenants Regarding Airport Operations; Termination by the Airline upon Material Limitations on Operations; Purchase of the Airline's Interest**

(a) The City and the Airline agree that the continued operation of the Airport is important to the City and the Airline. Accordingly, the City will make all reasonable efforts to ensure that the Airport's flight operations, passenger handling, cargo handling and other capacities germane to the operation of commercial air service at the Airport are not constrained, restricted, limited or reduced by action by the City and remain available to meet the demand for transportation to the region. The Airline recognizes that the Midway Noise Commission may recommend the implementation of certain actions to reduce noise levels at the Airport. These recommendations may include soundproofing of local schools and houses and a review of nighttime voluntary curfews but will not require the Airline to comply with any requirements prohibited by federal law. Any recommendations by the Midway Noise Commission shall not be construed as violating this Agreement.

(b) Neither the City nor the Airline shall advocate or support any constraints, restrictions, limitations or reductions on the Airport's flight operations, passenger handling, cargo handling or other capacities germane to the operation of the Airport by any federal, state or local governments (other than by the Midway Noise Commission).

(c) Neither the City nor the Airline will participate as advocates in the planning or development of, or participate in funding, financing, or operations of, any commercial service passenger airport not either (i) currently owned or operated by the City, or (ii) under the authority and jurisdiction of the Chicago-Gary Compact, within a fifty (50) mile radius of the Airport during the term of this Agreement.

(d) The City shall not voluntarily transfer its ownership, oversight or control of the Airport to any governmental entity other than to an entity controlled solely by the City.

(e) In the event that the City fails to comply with this Section 16.08, the Airline may, upon notice to the City (as provided below), terminate this Agreement (as provided below). Such notice shall be given in writing within sixty (60) days after the date the Airline has knowledge of such failure by the City and must contain evidence of such failure by the City. The City shall be deemed to have failed to comply with the provisions of this Section 16.08 if the cumulative effect of individual actions by the City creates such a failure. The City shall have one hundred and twenty (120) days in which to review and respond to the Airline's notice. In the event that the City disagrees with the Airline's determination, the Airline may not terminate this Agreement until thirty (30) days after the City has responded to the Airline's notice. However, the Airline shall not have the right to terminate this Agreement in the event that

constraints, restrictions, limitations or reductions on the Airport's flight operations, passenger handling, cargo handling or other capacities are enacted with general applicability to all airports within the jurisdiction of any federal, state or local governments.

(f) In the event that an involuntary transfer of ownership, oversight or control of the Airport other than to an entity controlled solely by the City occurs, such successor in interest to the City shall, upon petition by the Airline, be obligated to purchase from the Airline, at a cost equal to the then present replacement value, the Airline's ownership or leasehold interest in all permanent improvements then located at the Airport. If such successor in interest is required to purchase the Airline's interest in the permanent improvements under the terms and conditions of this Agreement, the replacement value of such interest shall be determined as follows: if the successor in interest and the Airline cannot agree as to the replacement value of the interest in the permanent improvements, each shall appoint an independent appraiser to determine the replacement value. If the independent appraisers cannot agree as to the replacement value for the interest in the permanent improvements, then both independent appraisers shall agree on the choice of a third independent appraiser who shall make the final determination as to the replacement value of the interest in the permanent improvements. Such appraisal process and final purchase of the Airline's interest in the permanent improvements shall be completed within one hundred and eighty (180) days after the Airline's petition to the successor in interest. Upon purchase of the Airline's interest in its permanent improvements in accordance with this Agreement, the Airline's ownership or leasehold of those improvements shall be canceled and terminated. In the event the Airline exercises its right to petition for the purchase of its interest, the Airline shall have the right to terminate any or all Airline lease agreements (including this Agreement) covering space or facilities at the Airport at a time designated by the Airline. In addition to any available legal remedies, the Airline shall have the right of specific performance to compel such successor in interest to comply with this provision.

#### **Section 16.09: Removal of Airline Property**

(a) The personal property owned and placed or installed by the Airline in its Leased Premises shall remain the property of the Airline and must be removed on or before the expiration of the term or the expiration of any extension or renewal of the term of this Agreement at the Airline's sole risk and expense. Any damage to the Airport, the structure, the Leased Premises or any fixtures located therein resulting from such removal shall be paid for by the Airline. In the event of the termination of this Agreement, the Airline shall have thirty (30) days after such termination during which to remove such property; *provided, however*, the City shall have the right to assert such lien or liens against said property as the City may by law be permitted. So long as any such property remains in the Leased Premises, the Airline's obligation to pay Airline Fees and Charges shall continue with respect to such Leased Premises.

(b) If the Airline's property is not removed as herein provided, the City may, at its option, deem such property abandoned and keep such property or, after written notice to the Airline and at the Airline's sole risk and expense, remove such property to a public warehouse for deposit, or retain the same in the City's possession and after the expiration of thirty (30) days sell the same, with notice and in accordance with applicable law, the proceeds of which shall be applied first to the expenses of such removal and sale, second to any sum owed by the Airline to the City, and any balance remaining shall be paid to the Airline.



**Section 16.10:No Waiver**

A failure by either Party to take any action with respect to any default or violation by the other Party of any of the terms, covenants or conditions of this Agreement shall not in any respect limit, prejudice, diminish or constitute a waiver of any rights of the first Party to act with respect to any prior, contemporaneous or subsequent violation or default. The acceptance by the City of payment for any period or periods after a default or violation of any of the terms, conditions and covenants of this Agreement shall not constitute a waiver or diminution of, nor create any limitation upon any right of the City pursuant to this Agreement to terminate this Agreement for subsequent violation or default, or for continuation or repetition of the original violation or default.

**Section 16.11:Agreement to Pay Attorneys' Fees and Expenses**

In the event the Airline defaults under this Agreement and the City employs attorneys or incurs other expenses for the collection of Airline Fees and Charges or any other amounts due hereunder, or for the enforcement or performance or observance of any obligation or agreement on the part of the Airline herein contained, the Airline shall, on demand, pay to the City the reasonable fees and expenses of such attorneys and any such other reasonable expenses incurred by the City as a result of such default.

**Section 16.12:Force Majeure**

(a) Neither party hereto shall be liable to the other for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including, without limiting the generality hereof, strikes, boycotts, picketing, slow-downs, work stoppages, or other labor actions affecting the City or its contractors, or the Airline or its Contractors, except to the extent that such failure, delay or interruption results from failure on the part of the City or the Airline to use reasonable care to prevent, or make reasonable efforts to cure, such failure, delay or interruption; *provided* that nothing in this Section 16.12 is intended or shall be construed to abate, postpone or in any respect diminish the Airline's obligations to make any payments due the City pursuant to this Agreement.

(b) The City shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state, county or municipal law, rule, regulation, requirement, order or directive.

**ARTICLE 17: GENERAL PROVISIONS**

**Section 17.01:Covenant Not to Grant More Favorable Terms**

The City shall not enter into any lease, contract or other agreement with any other airline providing service at the Airport which contains any rates or charges more favorable to such airline than the rates and charges payable hereunder by the Airline unless the City also makes

those more favorable terms available to the Airline; *provided, however*, that the City reserves the right to charge for the use of the City-Controlled Facilities on a per use basis.

**Section 17.02:PFCs to be held in Trust for the City**

(a) The Airline shall hold the net principal amount of all PFCs that are collected by the Airline or its agents on behalf of the City pursuant to 49 U.S.C. App. § 1513 and the rules and regulations thereunder (14 C.F.R. Part 158, herein, the “**PFC Regulations**”) in trust for the City. For purposes of this Section 17.02, net principal amount shall mean the total principal amount of all PFCs that are collected by the Airline or its agents on behalf of the City, reduced by all amounts that the Airline is permitted to retain pursuant to Section 158.53(a) of the PFC Regulations.

(b) In the event that the Airline fails to make payments of PFCs to the City in accordance with the PFC Regulations, the City may require the Airline to establish a PFC trust account pursuant to this Section 17.02(b). In the event the City requires the Airline to establish a PFC trust account, and notwithstanding Section 158.49 of the PFC Regulations, upon receipt of PFCs that are collected by the Airline or its agents on behalf of the City, the Airline shall establish, and shall deposit the net principal amount of such PFCs in, a trust account for the City’s benefit (the “**Trust Account**”). The City and the Airline agree that the Trust Account shall be held in the name of the Airline as trustee for the City; *provided* that the City and the Airline mutually agree to terms upon which amounts may be withdrawn from such account upon the joint direction of the City and the Airline. If the City and the Airline do not so agree, the Trust Account shall be held by an independent third party bank trustee, in which event such trustee’s fees shall be payable by the City. The City shall have the right to select such trustee subject to the approval of the Airline which approval will not be unreasonably withheld. The Trust Account shall be separate from and not commingled with all other Airline funds, including PFCs collected on behalf of other airports. In accordance with Section 158.51 of the PFC Regulations, any amounts required to be remitted to the City under such section shall be paid in any event by the Airline, as trustee, or by such third party bank trustee, to the City on or before the date specified in such section first out of the net principal amount, then, to the extent of any deficiency, by the Airline, out of income earned thereon and then, by the Airline, out of any available funds of the Airline. Funds in the Trust Account shall be invested solely in instruments issued or guaranteed by the United States government or any of its agencies, commercial paper rated A1 or P1 or better by, respectively, Standard & Poor’s Rating Services or Moody’s Investors Service, Inc., or federally insured bank certificates of deposit. Any income earned on funds in the Trust Account on or prior to the date of required remittance to the City shall be the property of the Airline and shall be paid directly to the Airline. Any income earned on funds in the Trust Account after the date of required remittance to the City shall be the property of the City and shall be paid immediately to the City.

(c) Upon the determination of a United States bankruptcy court in a final non-appealable order that a trust account is not required to establish the City’s absolute right immediately to receive all PFCs collected for the City and held by the Airline, Section 17.02(b) shall no longer apply.

(d) In the absence of additional regulations governing the treatment of refunds, any refunds of PFCs due to passengers as a result of changes of itinerary shall be paid proportionately out of the net principal amount attributable to such PFCs and the amount that the Airline was permitted to retain under Section 158.53(a) of the PFC Regulations attributable to such PFCs. The Airline hereby acknowledges that the net principal amount of all PFCs collected on behalf of the City shall remain at all times the property of the City, except to the extent of amounts refunded to passengers pursuant to the preceding sentence (which shall remain the property of the City until refunded and become the property of the passenger upon and after refund). Other than the amounts that the Airline is entitled to retain pursuant to Section 158.53 of the PFC Regulations, the Airline shall be entitled to no compensation.

#### **Section 17.03: Use of PFCs**

Commencing on the Effective Date, the City shall use all PFC revenue collected at the Airport to pay Debt Service on Bonds the proceeds of which are used by the City to pay for capital projects approved by the FAA for the collection and use of a PFC at the Airport. In each Fiscal Year, the amount of Debt Service includible in the calculation of Airline Fees and Charges under Article 8 shall be reduced by the amount of Debt Service paid by the City from PFC revenue. The foregoing notwithstanding, the City may use PFC revenue to pay for a capital project on a pay-as-you-go basis if the City submits a written request for approval to use PFC revenue for such purpose to the Signatory Airlines (which request shall specify the capital project, the cost thereof and the amount of PFC revenue to be used to pay for such capital project on a pay-as-you-go basis), and a Majority-in-Interest does not disapprove such request in writing to the City within thirty (30) days of the submission of the request to the Signatory Airlines.

#### **Section 17.04: Compliance with Rule 15c2-12 of the Securities Exchange Act**

If at any time when Bonds are outstanding the Airline is not complying with the reporting requirements under the Securities Exchange Act, the Airline will provide to the City such information with respect to the Airline as the City deems reasonably necessary in order to comply with Rule 15c2-12 under the Securities Exchange Act.

#### **Section 17.05: No Partnership or Agency**

Nothing herein contained is intended or shall be construed to in any respect create or establish any relationship other than that of lessor and lessee, and nothing herein shall be construed to establish any partnership, joint venture or association or to make the Airline the general representative or agent of the City for any purpose whatsoever.

#### **Section 17.06: No Personal Liability**

No official, employee or agent of the City shall be charged personally by the Airline, its officials, employees, agents or Contractors, or by any assignee or sublessee of the Airline, with any liability or expenses of defense or be held personally liable to them under any term or provision of this Agreement, or because of the City's execution or attempted execution, or because of any breach hereof.

**Section 17.07: Notices**

Except as otherwise expressly provided hereunder, all notices and other communications provided for under this Agreement shall be in writing and shall be mailed, telexed, telecopied or personally delivered to the City and the Airline at the following addresses:

If to the City, to:

Commissioner  
Chicago Department of Aviation  
Chicago O'Hare International Airport  
10510 West Zemke Road  
Chicago, IL 60666

If to the Airline, to:

---

---

---

---

---

or to such other person or address as either the City or the Airline may hereafter designate by notice to the other in accordance with this Section 17.07. Except as otherwise expressly provided hereunder, any notice or communication under this Agreement shall be deemed to have been given or made: (a) if a messenger or courier service is used, when delivered to the addressee; (b) if sent by mail (certified or otherwise), five (5) days after being deposited in the mails, postage prepaid and properly addressed; and (c) if sent by telex or telecopy, the earlier of (i) actual receipt by addressee and (ii) twenty-four (24) hours after confirmation of transmission.

**Section 17.08: Entire Agreement**

This Agreement, including the attached exhibits and endorsements, constitutes the entire agreement of the parties on the subject matter hereof.

**Section 17.09: Amendment**

Except as otherwise expressly provided herein, the provisions of this Agreement may be amended only by a written agreement signed by the City and the Airline.

**Section 17.10: Applicable Law**

This Agreement shall be deemed to have been made in, and shall be construed in accordance with, the laws of the State of Illinois.

### **Section 17.11: Authorization to Operate; Consent to Service of Process and Jurisdiction**

(a) The Airline warrants that it is a corporation organized and existing under the laws of the state shown on the signature page hereof. The Airline warrants that it is, and throughout the term of this Agreement it will continue to be, duly qualified to do business in the State of Illinois.

(b) All judicial proceedings brought against the Airline with respect to this Agreement may be brought in any court of competent jurisdiction having situs within the boundaries of the federal court district of the Northern District of Illinois including any of the courts within Cook County and by execution and delivery of this Agreement, the Airline accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. The Airline irrevocably designates and appoints the representative designated on the signature page hereto under the heading "Designation of Agent for Service of Process," as its agent in Chicago, Illinois to receive on its behalf service of all process in any such proceedings in any such court (which representative shall be available to receive such service during regular business hours), such service being hereby acknowledged by such representative to be effective and binding service in every respect. Said agent may be changed only upon the giving of written notice by the Airline to the City of the name and address of a new Agent for Service of Process that works within the geographical boundaries of the City and is employed by the Airline. The Airline irrevocably waives any objection (including any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Agreement in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the City to bring proceedings against the Airline in the courts of any other jurisdiction.

### **Section 17.12: Severability**

If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not effect the remaining portions of this Agreement or any part hereof.

### **Section 17.13: Representatives**

The City and the Airline shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for the City and the Airline, respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. Except as specifically set forth herein, for the purposes of actions to be taken by it or by the Commissioner, the City's representative shall be the Commissioner. The Airline's representative shall be

designated in a written notice delivered to the City. Any party hereto may change its designated representative by notice to the other party.

#### **Section 17.14: Actions by the City and a Majority-in-Interest**

(a) Whenever in this Agreement any approval is required from the Airline or from a Majority-in-Interest, such decision shall be promptly rendered and shall not be unreasonably withheld or conditioned.

(b) Whenever the approval of or an action by a Majority-in-Interest is required hereunder, it shall be evidenced in writing by the Airlines' Representative.

(c) A Majority-in-Interest may, on behalf of the Signatory Airlines, waive or amend any provision of this Agreement; *provided, however*, that no such waiver or amendment shall discriminate materially and adversely against the rights of any single Signatory Airline without such Signatory Airline's approval.

(d) Subject to the provisions of Section 17.14(c), all approvals, actions and decisions by a Majority-in-Interest with respect to matters hereunder requiring such approval, action or decision shall be binding upon the Airline whether or not the Airline constitutes a part of the Majority-in-Interest that so acted or rendered its approval or decision.

(c) Wherever in this Agreement the approval of the City is required, such approval may be given by either the Commissioner or a designee of the Commissioner, except as otherwise expressly provided herein. Such approval, except for those approvals within the sole discretion of the City, shall not be unreasonably withheld.

#### **Section 17.15: Successors and Assigns**

All of the covenants, stipulations and agreements herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

#### **Section 17.16: Subordination to Bond Ordinance**

(a) This Agreement and all rights granted to the Airline hereunder, excepting only the Airline's rights pursuant to Section 4.04, are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation or assignment made by the City in any Bond Ordinance executed by the City to issue Bonds. The City expressly reserves the right to make such pledges and grant such liens and enter into covenants as it may deem necessary or desirable to secure and provide for the payment of Bonds, including the creation of reserves therefor.

(b) The Airline understands that the City is and will be the issuer of Bonds. With the exception of taxable Bonds that may be issued in the future, the interest on which is intended to be excludable from gross income from the holders of such Bonds for federal income tax purposes under the Internal Revenue Code of 1986, as amended, the Airline agrees that it will not act, or fail to act (and will immediately cease and desist from any action, or failure to act) with respect to the use of the Leased Premises, if the act or failure to act may cause the City to be in noncompliance with the provisions of the Internal Revenue Code of 1986, as amended, as they

may be amended, supplemented, or replaced, or the regulations or rulings issued thereunder, nor will the Airline take, or persist in, any action or omission which may cause the interest on the tax-exempt Bonds not to be excludable from the gross income of the holders thereof for federal income tax purposes.

**Section 17.17: Certificate in Connection with Issuance of Bonds**

The Airline agrees that in connection with any issuance of Bonds by the City, upon not less than ten (10) days prior request by the City, the Airline will deliver to the City a statement in writing certifying:

(a) that this Agreement is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Agreement as modified is in full force and effect);

(b) that the City is not in default under any provision of this Agreement, or, if in default, the nature thereof in detail; and

(c) such further matters as may be reasonably requested by the City, it being intended that any such statement may be relied upon by the parties involved in such issuance of Bonds.

**Section 17.18: No Third Party Beneficiaries**

This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity other than the parties hereto and their assigns any legal or equitable rights hereunder.

**Section 17.19: Counterparts**

This Agreement may be executed in one or more counterparts.

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

Attest:

CITY OF CHICAGO

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

Recommended by:  
DEPARTMENT OF AVIATION

\_\_\_\_\_  
Commissioner

Approved as to form and legality:

\_\_\_\_\_  
Chief Assistant Corporation Counsel

[AIRLINE]

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Address for Notice to Airline:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Designation of Agent for Service of Process:

\_\_\_\_\_



**EXHIBIT A**  
**PLAT OF MIDWAY INTERNATIONAL AIRPORT**



**EXHIBIT B**  
**COST CENTERS**

**“Airfield Area”** means the Cost Center which includes the land identified as Airfield Area on Exhibit B-1, and, except, as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including the Runways, Taxiways, and facilities at the Airport for the purpose of controlling and assisting arrivals, departures and operations of aircraft using the Airport, such as control towers operated and maintained by the FAA, security fences, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from the rest of the Airfield Area.

**“Terminal Area”** means the Cost Center which includes the land identified as Terminal Area on Exhibit B-1, and, except as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, holdroom areas, passenger loading bridges and control towers maintained by the City or by an airline.

**“Terminal Ramp Area”** means the Cost Center which includes the aircraft parking apron identified as Terminal Ramp Area on Exhibit B-1 and includes the aircraft parking apron identified as Terminal Ramp Area on Exhibit B-1, and except as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including aircraft parking areas and aircraft circulation and taxiing areas for access to the aircraft parking areas.

**“Equipment Cost Center”** means the Cost Center which includes the terminal and airline equipment required for the handling and servicing of passengers, baggage, aircraft and flight operations at the Airport.

**“Fueling Cost Center”** means the Cost Center which includes the Fuel System identified as Fueling Cost Center on Exhibit B-1.

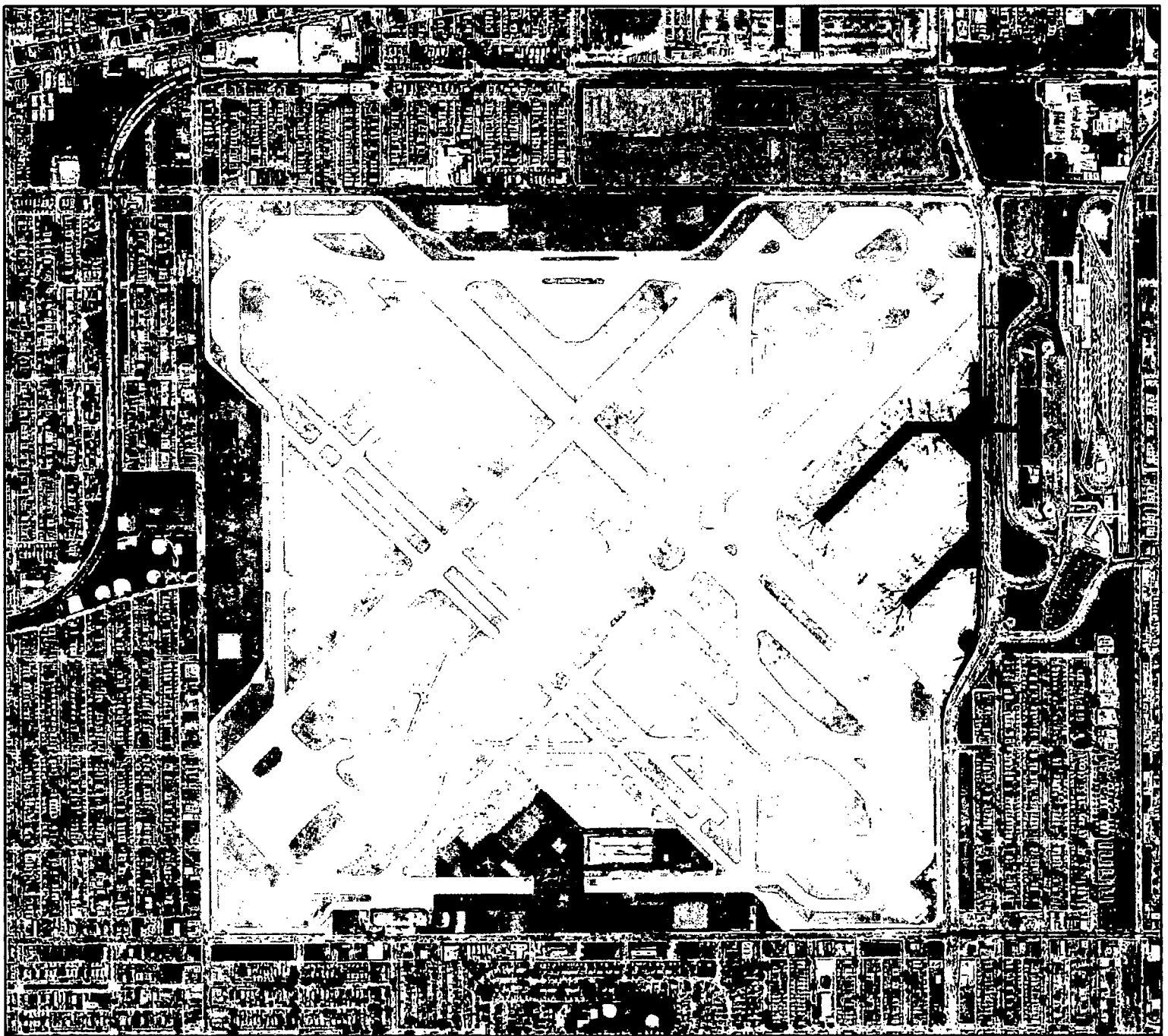
**“FIS Cost Center”** means the Cost Center which includes the FIS Facility identified as the FIS Cost Center on Exhibit B-1.

**“Indirect Cost Center”** means the Indirect Cost Center which will accumulate those expenses identified in Section 1.3 (Indirect Costs) of Exhibit G.







**“Parking and Roadway Area”** means the Cost Center which includes the land identified as Parking and Roadway Area on Exhibit B-1 and, except as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including all public and employee parking areas and all roads and facilities serving such parking areas, the Terminal Area access road, the terminal and frontage road, the exit road and all other roadways, rights-of-way, ramps, sidewalks and other facilities including the commercial vehicle storage lot, rental car ready-return lot and other parking areas leased to car rental and ground transportation concessions.

**“Support Facilities Area”** means the Cost Center which includes the land identified as Support Facilities Area on Exhibit B-1, and except as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including aircraft rescue and fire fighting facilities, airport maintenance complex/snow removal equipment facilities, fuel storage facilities, airline maintenance and other airline support facilities such as FBOs, general aviation facilities and aircraft hangar and cargo facilities and the airport services road system.

**EXHIBIT B-1**



**LEGEND**

|   |  |
|---|--|
|  Existing Terminal Area      |  Existing Parking & Roadway Area  |
|  Existing Terminal Ramp Area |  Existing Support Facilities Area |
|  Existing Airfield Area      |  Existing Fueling Cost Center     |

**Chicago Midway  
International Airport**

**City of Chicago  
Rahm Emanuel  
Mayor**

**Department  
of Aviation**



**EXISTING COST CENTERS**

Exhibit  
**B-01**

## **EXHIBIT C**

### **OUTSTANDING BONDS**

1. Airport Revenue Bonds, Series 1996 A and B
2. Airport Revenue Bonds, Series 1998 A, B and C
3. Airport Revenue Bonds, Series 1998, 2nd Lien A and B
4. Airport Revenue Bonds, Series 2001 A and B
5. Airport Revenue Bonds, Refunding Series 2004 A and B, 2nd Lien
6. Airport Revenue Bonds, Series 2004 C and D, 2nd Lien
7. Airport Revenue Bonds, Series 2010 A, 2nd Lien
8. Airport Revenue Bonds, Series 2010 B, C and D, 2nd Lien
9. Airport Commercial Paper Notes

**EXHIBIT D**  
**LEASED PREMISES**

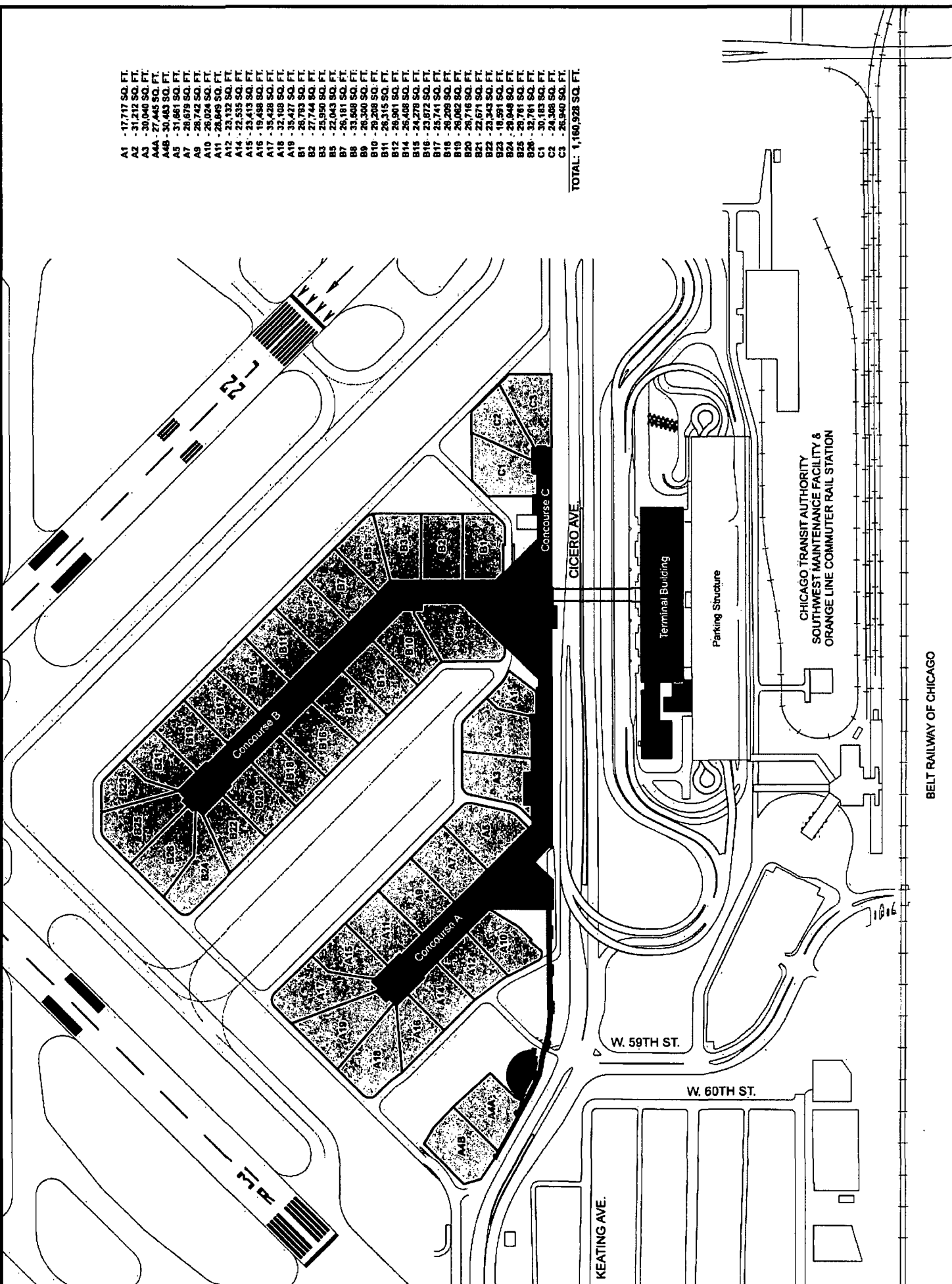


**EXHIBIT E**  
**SURVIVING AGREEMENTS**

There are no surviving leases or agreements.

**EXHIBIT F**  
**AIRCRAFT PARKING POSITIONS**

- A1 - 17,717 SQ. FT.
  - A2 - 31,212 SQ. FT.
  - A3 - 30,040 SQ. FT.
  - AAA - 27,445 SQ. FT.
  - AA4 - 30,483 SQ. FT.
  - A5 - 31,661 SQ. FT.
  - A7 - 28,679 SQ. FT.
  - A9 - 28,742 SQ. FT.
  - A10 - 26,074 SQ. FT.
  - A11 - 26,649 SQ. FT.
  - A12 - 23,132 SQ. FT.
  - A14 - 22,535 SQ. FT.
  - A15 - 23,413 SQ. FT.
  - A16 - 19,488 SQ. FT.
  - A17 - 35,428 SQ. FT.
  - A18 - 32,108 SQ. FT.
  - A19 - 35,427 SQ. FT.
  - B1 - 26,793 SQ. FT.
  - B2 - 27,744 SQ. FT.
  - B3 - 25,950 SQ. FT.
  - B5 - 22,043 SQ. FT.
  - B7 - 26,181 SQ. FT.
  - B8 - 33,968 SQ. FT.
  - B9 - 26,300 SQ. FT.
  - B10 - 29,208 SQ. FT.
  - B11 - 26,315 SQ. FT.
  - B12 - 26,901 SQ. FT.
  - B14 - 26,408 SQ. FT.
  - B15 - 24,278 SQ. FT.
  - B16 - 23,672 SQ. FT.
  - B17 - 25,741 SQ. FT.
  - B18 - 26,209 SQ. FT.
  - B19 - 26,062 SQ. FT.
  - B20 - 26,716 SQ. FT.
  - B21 - 22,671 SQ. FT.
  - B22 - 22,343 SQ. FT.
  - B23 - 16,591 SQ. FT.
  - B24 - 28,948 SQ. FT.
  - B25 - 25,761 SQ. FT.
  - B26 - 32,761 SQ. FT.
  - C1 - 30,163 SQ. FT.
  - C2 - 24,368 SQ. FT.
  - C3 - 26,940 SQ. FT.
- TOTAL: 1,160,328 SQ. FT.



BELT RAILWAY OF CHICAGO

**FINAL Aircraft Parking Areas  
Effective January 1, 2013**



Department  
Of  
Aviation

City of Chicago  
Rahm Emanuel  
Mayor

Chicago  
Midway  
Airport

## EXHIBIT G

### ALLOCATION METHODOLOGY

#### 1. Allocation of Operation & Maintenance Expenses to Cost Centers

Operation and Maintenance (O&M) Expenses, including the fund deposit requirement for the O&M Reserve Account, are to be allocated and charged directly to the Cost Centers whenever possible. Costs that are not directly chargeable will be allocated to the Cost Centers based on formulas enumerated herein.

##### 1.1. Direct Costs Charged to Cost Centers

The following costs will be charged directly to the Cost Centers as they are incurred:

1. Salaries and wages of Department of Aviation operation personnel will be charged to Cost Centers based on daily time records of each employee.
2. Salaries, wages and fringe benefits (net of reimbursement from the City's corporate fund) of Fire Department personnel (with the exception of paramedics) assigned to the Airport will be charged to the Airfield Area.
3. Salaries, wages and fringe benefits of Fire Department paramedics will be charged to the Terminal Area.
4. Salaries, wages and fringe benefits of Police Department personnel will be charged to individual Cost Centers based on the coverage afforded each Cost Center.
5. Costs of operating and maintaining the parking lots and roadways, including energy use, will be charged to the Parking and Roadway Area.
6. Costs of operating and maintaining landside pedestrian walkways and bridges between the terminal building and southwest transit system and parking facilities will be charged to the Terminal Area.
7. Costs of operating the shuttle buses will be charged to the Parking and Roadway Area.
8. Materials, supplies, and machinery and equipment and other similar expenses which, under generally accepted accounting principles, are not capitalized will be charged to the Cost Center in which they are used.
9. Engineering and professional services will be charged to specific projects identified as relating to a particular Cost Center. Services for projects not attributable to a specific Cost Center will be considered administrative costs.

10. Costs of operating and maintaining airline equipment, as defined in the MATCO Agreement, required for the handling and servicing of passengers, baggage, aircraft and flight operations will be charged to the Equipment Cost Center.
11. Costs of operating and maintaining the Fuel System will be charged to the Fueling Cost Center.
12. Costs of maintenance, landscaping, decorating, repairs, renewals and alterations not reimbursed by insurance, and which, under generally accepted accounting principles are not capitalized, will be charged to the Cost Center in which they are incurred.
13. Costs of water pollution control will be charged directly to the Airfield Area.
14. Costs of rentals of real property and costs of rental equipment or other personal property will be charged to the Cost Center in which they are incurred.
15. Costs incurred in collecting and attempting to collect any sums due the City in connection with the operation of the Airport will be charged to the Cost Center to which they are attributable.
16. Costs of advertising at or for the Airport will be charged to the Cost Center to which they are attributable.
17. Any other costs incurred at or allocated to the Airport necessary to comply with any valid rule, regulation, policy or order of any federal, state or local government, agency or court will be charged to the Cost Center to which such cost is attributable.
18. All other direct and indirect expenses (including judgments and settlements), whether similar or dissimilar, which arise out of the City's ownership, operation or maintenance of the Airport, including any taxes payable by the City which may be lawfully imposed upon the Airport by entities other than the City will be charged to the Cost Center to which such expense is attributable.
19. Costs of repair, maintenance and operation of the Airport's Heating and Refrigeration System will be charged directly to the Terminal Area. Revenue received from non-airline tenants for HVAC service will be allocated to the Terminal Area.
20. Water and sewage costs will be allocated to the Terminal Area. Revenue received from non-airline tenants for water and sewage services will be allocated to the Cost Center in which the services are provided.

21. Costs of operating and maintaining the public address system will be allocated to the Terminal Area.
22. Amounts owed to the City under the MATCO Agreement and included in the definition of "O&M Expenses" under item (1) thereof will be charged to the Equipment Cost Center or the Fueling Cost Center depending on whether the amounts relate to the Equipment Cost Center or the Fuel System.

1.2. Formula Allocated Costs.

Formula allocated costs are those that cannot be accurately charged to a specific Cost Center as they are incurred and must, therefore, be assigned to the Cost Centers using an allocation formula basis.

1. Fringe benefits (workmen's compensation, pension, etc.) will be allocated to the Cost Centers in proportion to the salaries and wages of the assigned Department of Aviation operating personnel.
2. Costs of operating and maintaining vehicles, including fuel, will be allocated based on vehicle utilization. A record will be maintained of the vehicles assigned for use in each Cost Center.
3. Electrical and natural gas utility costs for the current Fiscal Year will be allocated based on the actual usage recorded for the most recently completed Fiscal Year. Revenue received from non-airline tenants for service will be allocated to the Cost Center in which the costs are incurred. Electrical and natural-gas utilities that are not directly chargeable to a Cost Center or Airport tenant will be allocated to the Indirect Cost Center.

1.3 Indirect Costs

Indirect (overhead) expenses are those costs that are not directly attributable to the Airfield Area, Terminal Area, Terminal Ramp Area, Parking & Roadway Area, Support Facilities Area, Equipment Cost Center or Fueling Cost Center, and therefore will be accumulated in the Indirect Cost Center. The costs accumulated in the Indirect Cost Center will be allocated to each other Cost Center except the Equipment Cost Center and the Fueling Cost Center based on the proportion of direct costs of each such other Cost Center to the direct costs of all such other Cost Centers, not including the Equipment and the Fueling Cost Center. Indirect costs will include, but not be limited to, the following:

1. Salaries, wages and fringe benefits of DOA administrative staff.
2. Salaries, wages and fringe benefits of assigned staff from Department of Law, Comptroller and other City Departments.
3. Trustee fees.

4. Insurance and bonds.
5. Communications.
6. Travel.
7. Other DOA indirect expenses.
8. Non-vouchered other expenses from other City Departments.
9. Engineering and professional service fees not capitalized.
10. Computer services and office equipment rental and fees.
11. Other expenses of City Departments other than DOA which are vouchered to the Airport will be charged to the Indirect Cost Center.

2. Charging of Debt Service to Cost Centers

The City shall allocate Debt Service for each Fiscal Year among the Cost Centers. Debt Service will be allocated to the Cost Centers based on actual expenditures made out of the proceeds of obligations giving rise to such Debt Service for each Capital Project described in the Terminal Development Program, Capital Improvement Program, and any future Capital Projects presented by the City to the Signatory Airlines in accordance with Section 10.03. Debt Service will be directly allocated to the Cost Center which benefits from the Capital Project. Debt Service which is not directly attributable to a Cost Center will be allocated among the Cost Centers based on the proportion of Debt Service directly allocated to each Cost Center to the total Debt Service allocated to all the Cost Centers for each Fiscal Year. No Debt Service will be allocated to the Indirect Cost Center.

3. Allocation of Fund Deposit Requirement to Cost Centers

- 3.1. The fund deposit requirements for the Repair & Replacement Fund, Emergency Reserve Fund and the O&M Reserve Account of the O&M Fund will be allocated among the Cost Centers, other than the Indirect Cost Center, based on the proportion of O&M Expenses allocated to each Cost Center other than the Indirect Cost Center to the total O&M Expenses allocated to all the Cost Centers other than the Indirect Cost Center for each Fiscal Year. All Costs Centers excluding the Indirect Cost Center will receive fund deposit requirement allocations.
- 3.2. The fund deposit requirement for the Special Capital Projects Fund will be directly allocated to the Cost Center(s) which benefits from the Capital Project constructed with the fund deposit.

4. Net Requirement or Net Surplus of the Support Facilities Area

The Net Requirement or Net Surplus of the Support Facilities Area shall be allocated to the Airfield Area for each Fiscal Year.

5. Net Requirement or Net Surplus of Parking and Roadway Area

The Net Requirement or Net Surplus of the Parking and Roadway Area shall be allocated to the Airfield Area, Terminal Area and Terminal Ramp Area based on the proportions of the Net Requirement or Net Surplus of such Costs Centers (excluding the allocation of the Net Requirement or Net Surplus of the Parking and Roadway Area) for each Fiscal Year.

6. Assignment of Non-Airline Revenues to Cost Centers

Non-Airline Revenues are to be assigned directly to Cost Centers whenever possible, based primarily on the physical location (the actual monetary transaction may occur in a different Cost Center) of the source of the revenue. Non-Airline Revenues from all sources located within each Cost Center will be assigned directly to that Cost Center. All Non-Airline Revenues which cannot be directly assigned will be allocated to the Cost Centers based on the formulas enumerated herein.

6.1 Non-Airline Revenues Assigned Directly to Cost Centers

1. The following Non-Airline Revenues and all similar revenues will be assigned to the Airfield Area:

- Non-Signatory Landing Fees
- General Aviation Landing Fees
- Aircraft Tie Down Fees
- Overnight Aircraft Parking Fees
- Other Airfield Area Rentals, Fees and Charges

2. The following Non-Airline Revenues and all similar revenues will be assigned to the Terminal Area:

- Space Rentals (including utility reimbursement)
- Revenues from concessions (including utility reimbursement) located in the Terminal Area
- Aircraft Turn Fees
- Joint Use Baggage Fees



3. The following Non-Airline Revenues and all similar revenues will be assigned to the Terminal Ramp Area:
  - Ramp Rentals
4. The following Non-Airline Revenues and all similar revenues, if located and generated in the Parking and Roadway Area, will be assigned to the Parking and Roadway Area:
  - Automobile Parking Fees Automobile and Truck Rentals
  - Limousine and Bus Fees
  - Other Ground Transportation Fees
  - Employee Parking Lot Fees Investment Income
5. The following Non-Airline Revenues and all similar revenues, if located and generated in the Support Facilities Area, will be assigned to the Support Facilities Area:
  - Hangar Rentals
  - Air Cargo Building(s) Rentals
  - Land Rentals
  - Building Space Rentals
  - Flight Kitchen Rentals and Concession
  - FBO Concession Fees
6. The following Non-Airline Revenues and all similar revenues, if located and generated in the Fueling Cost Center, will be assigned to the Fueling Cost Center:
  - Tank Farm Rentals
  - Fuel Flowage Fees

6.2. Revenues Allocated to Cost Centers

1. Investment income derived from the Debt Service Reserve Fund and the Junior Lien Obligation Debt Service Fund created under the Master Indenture will be allocated among the Cost Centers on the same basis and in the same proportion as Debt Service is allocated to the Cost Centers for

each Fiscal Year. Parking investment income will be directly allocated to the Parking and Roadway Area.

2. Reimbursement for security services will be allocated to the Terminal Area.
3. Other unrestricted investment income will be allocated to the Airfield Area, Terminal Area, Terminal Ramp Area, Equipment Cost Center and Fueling Cost Center based on the proportion of total revenues allocated to the above Cost Centers for each Fiscal Year.

## EXHIBIT H

### DESCRIPTION OF OPERATION AND MAINTENANCE RESPONSIBILITIES

|                                     | Leased Airline Premises |                   |                     |                                  |               | Joint Use Premises |               |               |
|-------------------------------------|-------------------------|-------------------|---------------------|----------------------------------|---------------|--------------------|---------------|---------------|
|                                     | Ticket<br>Counters      | Ticket<br>Offices | Operations<br>Areas | Aircraft<br>Parking<br>Positions | Hold<br>Rooms | Baggage<br>Claim   | Bag<br>Makeup | Tug<br>Drives |
| <b>1. Air Conditioning</b>          |                         |                   |                     |                                  |               |                    |               |               |
| a. Maintenance                      | City                    | City              | City                | N/A                              | City          | City               | City          | N/A           |
| b. Operating                        | City                    | City              | City                | N/A                              | City          | City               | City          | N/A           |
| c. Distribution                     | City                    | City              | City                | N/A                              | City          | City               | City          | N/A           |
| <b>2. Heating</b>                   |                         |                   |                     |                                  |               |                    |               |               |
| a. Maintenance                      | City                    | City              | City                | N/A                              | City          | City               | City          | N/A           |
| b. Operation                        | City                    | City              | City                | N/A                              | City          | City               | City          | N/A           |
| c. Distribution                     | City                    | City              | City                | N/A                              | City          | City               | City          | N/A           |
| <b>3. Lighting</b>                  |                         |                   |                     |                                  |               |                    |               |               |
| a. Bulb Replacement                 | Airline                 | Airline           | Airline             | City                             | Airline       | City               | Airline       | Airline       |
| b. Maintenance                      | Airline                 | Airline           | Airline             | City                             | Airline       | City               | Airline       | Airline       |
| <b>4. Electrical</b>                |                         |                   |                     |                                  |               |                    |               |               |
| a. Maintenance                      | Airline                 | Airline           | Airline             | Airline                          | Airline       | Airline            | Airline       | Airline       |
| <b>5. Water</b>                     |                         |                   |                     |                                  |               |                    |               |               |
| a. Distribution                     | N/A                     | City              | City                | City                             | City          | N/A                | City          | City          |
| b. Fixtures                         | N/A                     | Airline           | Airline             | Airline                          | N/A           | N/A                | Airline       | N/A           |
| <b>6. Sewage</b>                    |                         |                   |                     |                                  |               |                    |               |               |
| a. Distribution                     | N/A                     | City              | City                | City                             | City          | N/A                | City          | City          |
| b. Fixtures                         | N/A                     | Airline           | Airline             | Airline                          | N/A           | N/A                | Airline       | Airline       |
| <b>7. Maintenance</b>               |                         |                   |                     |                                  |               |                    |               |               |
| a. Other than Interior Structure    | Airline                 | Airline           | Airline             | Airline                          | Airline       | Airline            | Airline       | Airline       |
| b. Interior Structure <sup>1</sup>  | Airline                 | Airline           | Airline             | N/A                              | Airline       | City               | Airline       | Airline       |
| c. Exterior Term. Bldg.             | City                    | City              | City                | City                             | City          | City               | N/A           | City          |
| <b>8. Custodial Service</b>         | Airline                 | Airline           | Airline             | N/A                              | Airline       | City               | Airline       | Airline       |
| <b>9. Window Cleaning</b>           |                         |                   |                     |                                  |               |                    |               |               |
| a. Exterior                         | N/A                     | City              | City                | N/A                              | City          | City               | N/A           | N/A           |
| b. Interior                         | N/A                     | Airline           | Airline             | N/A                              | Airline       | City               | N/A           | N/A           |
| <b>10. Overhead Doors</b>           | N/A                     | N/A               | Airline             | N/A                              | N/A           | Airline            | Airline       | City          |
| <b>11. Snow Removal<sup>2</sup></b> | N/A                     | N/A               | N/A                 | Airline                          | N/A           | N/A                | N/A           | City          |
| <b>12. MATCO Equipment</b>          | Airline                 | Airline           | Airline             | Airline                          | Airline       | Airline            | Airline       | Airline       |

Notes: All areas not part of Airline's Leased Premises shall be City's responsibility; provided, however, City shall not be responsible for any systems or services installed by Airline, or systems and services installed by City and modified by Airline, unless otherwise agreed to by the parties hereto.

Airline may assign any of their responsibilities to MATCO, upon notice to the City.

<sup>1</sup> Interior Structure is defined as the interior walls, floors, ceiling and other structures.

<sup>2</sup> Airline is responsible for any hand shoveling and abrasive application necessary for passenger access pathways between Terminal and Airline's aircraft.

**EXHIBIT I**  
**FORM OF PERFORMANCE AND PAYMENT BOND**

CONTRACTORS PERFORMANCE & PAYMENT BOND

**\*RIDER ATTACHED  
CONTRACTORS PERFORMANCE & PAYMENT BOND**

Know All Men By these Presents, That we, \_\_\_\_\_

Principal, hereinafter referred to as Contractor, and \_\_\_\_\_, Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of \_\_\_\_\_ lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Scaled with our seals and dated this \_\_\_\_\_ day of \_\_\_\_\_ A.D., 20\_\_\_\_

The Condition of the Above Obligation is such,

That whereas the above bounden Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing contract No. \_\_\_\_\_ And Specification No. \_\_\_\_\_ all in conformity with said contract, for,

S P E C I M E N

The said contract is incorporated herein reference in its entirety, including without limitation, any and all indemnification provisions.

\*The attached rider is incorporated herein by reference.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and further shall save, indemnify and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgments, cost and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person or damage to real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any respect whatever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Chief Procurement Officer, and /or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of the requirements of said contract, wherefore the Chief Procurement Officer shall have elected to suspend or cancel the same, and shall pay all claims and demands whatsoever, which may accrue to each materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with wages paid at prevailing wage rates if so required by said contract, and shall insure its ability to pay the compensation, and shall pay all claims and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person; under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgment rendered against said City in any suit based upon any loss, damages, claims, liabilities, judgments, cost or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which in anywise result from any injuries to, or death of any person, or damage to any real or personal property, arising or indirectly from, or in connection with, work

CONTRACTORS PERFORMANCE & PAYMENT BOND

performed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or anyone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or judgment thereon, render against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the pendency or arbitration proceedings or suit shall have given said Contractor, shall be conclusive against each and all parties to this obligation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as subcontractor, or otherwise, shall have the right to sue on this bond in the name of the City of Chicago, for his use and benefit, and in such suit said person, as plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless execution thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided that nothing in this bond contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any greater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; provided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of action unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the last item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor within 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of the claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no place of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences of each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the claimant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public improvement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice herein provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party asserting the same; provided, further that no action shall be brought until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of material, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the expiration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that no action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. Any suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have been performed.

The said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of any of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the obligations on this bond, and it does hereby waive notice of any change, extension of time, alteration or addition to the terms of said Contract Documents or to the work.

Approved \_\_\_\_\_, 20 \_\_\_\_\_ (Seal)

\_\_\_\_\_  
Chief Procurement Officer (Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

Approved as to form and legality: \_\_\_\_\_ (Seal)

\_\_\_\_\_  
Assistant Corporation Counsel (Seal)

CONTRACTORS PERFORMANCE & PAYMENT BOND

**RIDER TO CONTRACTOR'S  
PERFORMANCE AND PAYMENT BOND**

This Rider supplements Contractor's Performance and Payment Bond ("Bond") on that certain Contract with the City of Chicago ("City") bearing Contract No. \_\_\_\_\_ and Specification No. \_\_\_\_\_ ("Contract"). Surety acknowledges that the Contract requires Contractor to obtain from each of its subcontractors consent to a collateral assignment of their contracts with Contractor to the City. The Contract further grants the City the right, upon Contractor's default for failure to comply with Chapter 4-36 of the Municipal Code of the City, and at the City's sole option, to take over and complete the work to be performed by Contractor through the City's assumption of some or all of Contractor's subcontracts. If the City, in its sole discretion, exercises this right, then Surety waives any rights it may have to cure Contractor's default by performing the work itself or through others and remains bound by its other obligations under the Bond.

## EXHIBIT J

### AIRLINE PROJECT PROCEDURES

1. Airline Project Description

Airline Projects shall be described in writing by the Commissioner to Airline at the time of delegation of Work. The description of the Airline Project shall include the estimated cost of the Work which shall be reimbursable to the Airline by the City.

2. Airline Co-ordination with City

(a) If Airline is delegated an Airline Project pursuant to Section 12.01 of this Agreement and accepts such delegation, Airline shall designate an airline project manager (the "Airline Project Manager") who shall manage and co-ordinate the Work. City shall direct all communications regarding the Work to the Airline Project Manager.

(b) The Commissioner shall designate a work liaison (the "Work Liaison") to represent City in all matters relating to the performance of the Work hereunder and to constitute the point of receipt for all submittals, unless expressly specified otherwise herein. In all provisions of this Exhibit in which City's written approval or consent is required, such approval or consent must be that of the Work Liaison, unless Airline is notified in writing by the Commissioner otherwise. Any approval or consent by the Work Liaison hereunder shall not create any liability on City, in whole or in part, for the professional or technical accuracy of Airline's Work to be provided hereunder. The Commissioner shall be the final arbiter of any decision to be made or consent or approval to be given under this Exhibit. The Work Liaison shall further assist Airline in coordinating Airline's Work with other projects and operations at the Airport and in Airline's contacts with any federal, state, or local government agencies. If requested, Airline shall provide reasonable administrative space for the Work Liaison on or contiguous to the work site.

3. Standard of Performance

Airline shall perform, or cause to be performed, all Work with that degree of skill, care and diligence normally exercised by professionals performing equivalent work in projects of a scope and magnitude comparable to the Work hereunder.

Airline shall further perform, or cause to be performed, all Work hereunder according to those standards for Work at the Airport promulgated by DOA, FAA, and any other interested federal, state, or local governmental units, including without limitation any Airport design and construction standards that the Commissioner may promulgate from time to time (the "Airport Design and Construction Standards").

Airline shall further require its Airline Project Contractors to perform all Work required of them in accordance with the above standards and in a safe, efficient, good and workmanlike manner. Airline shall require its Airline Project Contractors to replace all



damaged or defective Work. Subject to the terms and conditions stated herein, Airline shall replace or correct such Work not so corrected or replaced by any Airline Project Contractor, or shall cause such Work to be replaced or corrected by another Airline Project Contractor, and thereafter shall prosecute, or shall assign its rights to so prosecute to City upon reasonable request therefor, any and all claims it may have against Airline Project Contractors for failure by Airline Project Contractors to comply with the standards of performance imposed upon them in the Airline Project Contracts and hereunder.

In the event Airline or its Airline Project Contractors fail to comply with the above-referenced standards, Airline shall perform again, or cause to be performed again, at its own expense, any and all Work which is required to be re-performed as a direct or indirect result of such failure. Notwithstanding any review, approval, acceptance, or payment for any and all of the Work by City, Airline shall remain solely and exclusively responsible for the technical accuracy of all of the Work, as defined herein and furnished under this Agreement. This provision shall in no way be considered as limiting the rights of City against Airline or its Airline Project Contractors, either under this Agreement, at law, or in equity.

4. Approval of Airline Project Contractors

Airline shall submit the Economic Disclosure Statement and Affidavit on the then current form provided by the City (the "EDS") of each of its Contractors to the City for review and approval prior to the hiring by Airline of Airline Project Contractors. In addition, City shall have the right (but not the obligation) to review, and approve the form of, the Airline Project Contract with any person or firm hired to act as an Airline Project Contractor in connection with the performance of Work. Airline shall include in its Airline Project Contracts all provisions required by this Agreement, such provisions as may be required by law at the time such Airline Project Contract is awarded, and such provisions as may be reasonably requested by City, its Risk Manager, its Chief Procurement Officer and its legal counsel.

5. Assignment of Airline Project Contracts

All Airline Project Contracts shall contain provisions making them assignable to City. Upon the occurrence of an Event of Default under this Agreement, City shall have the right to require that Airline complete the assignment to City of any and all Airline Project Contracts. Such assignment shall be in writing and in a form and substance acceptable to City. Airline agrees that all such Airline Project Contracts shall further contain a clause which provides that in the case of any Airline Project Contract so assigned, the Airline Project Contractor shall be deemed to have waived any and all claims, suits, and causes of action arising out of or relating to the performance of such Airline Project Contract prior to the effective date of such assignment, unless such Airline Project Contractor notifies City in writing of such claim, suit, or cause of action prior to the effective date of such assignment. City shall not be responsible for any claims relating to such Airline Project Contracts arising from or related to any fraud, misrepresentation, negligence or

willful or intentionally tortious conduct by Airline, its officials, employees, agents or other Airline Project Contractors.

6. Requirements for Work

(a) Project Planning, Design, and Fabrication Phase:

Airline shall submit, or cause to be submitted, at such levels as may be reasonably requested by the Work Liaison, proposed drawings, plans, and specifications for review and comment by the Work Liaison. Such drawings, plans, and specifications, and all amendments thereto, and the cost and schedule information to be provided by Airline under Paragraph 6(b), shall be subject to the approval of the Work Liaison, which approval shall not be unreasonably withheld. The Work Liaison will approve, conditionally approve, or disapprove submissions of any such drawings, plans and specifications within fifteen (15) business days, or as mutually agreed to following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation. If Airline intends to adopt fast track construction procedures, Airline must still complete each contract package to a reasonable level of detail (including alternate designs selected by Airline for major structural, mechanical, electrical and architectural elements) that will provide the Work Liaison adequate information upon which to base its review and approval. Airline shall not proceed with construction operations until all necessary approvals have been obtained.

(b) Airline to Provide Information:

Prior to the commencement of the Work, and thereafter as often as may be necessary to provide the Work Liaison with current and complete information about the Work, Airline shall submit to the Work Liaison (i) initial and updated construction schedules (which shall be reviewed by the Work Liaison for their impact and relation to other projects or operations at the Airport) indicating the proposed and/or actual sequence of all Work, and the estimated date of completion of the Work under each of Airline's contracts; (ii) initial and updated site utilization plans, including limit lines, on-site storage and office areas, and proposed temporary alterations or detours and support detours intended to maintain public access and support services, to, from, through or past operating facilities at the Airport; and (iii) Airline's initial and updated cost estimates for the Work.

(c) Installation, Construction, Start-Up and Testing Phase:

(i) The Work Liaison shall have the right to monitor the Work to assure that the Airline Project is installed and constructed in conformity with the approved drawings, plans and specifications, and in accordance with the applicable standards therefor. In order to assist the Work Liaison in monitoring the installation, construction, start-up and testing, Airline shall submit, or cause to be submitted, to the Work Liaison copies of all

- surveys, soil borings, and field test reports;
  - Contracts;
  - material certificates and samples;
  - approved shop drawings;
  - lien waivers, payrolls, and requests for payment by Contractors of any tier;
  - progress reports;
  - notification of substantial completion of the Work;
  - maintenance and operations manuals in connection with building systems;
  - as-built drawings;
  - warranties;
  - test and start-up results; and
  - any other documents related to the Work which may be reasonably requested by City.
- (ii) No change order which materially changes the scope of the Work or the Airline Project shall be implemented by Airline without review and approval by the Work Liaison. The Work Liaison will approve, conditionally approve or disapprove submissions of change orders within fifteen (15) business days following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation.
- (iii) In the event the Work Liaison determines that the Work is at material variance from the approved cost, schedule, drawings, plans, and specifications or applicable standards, Airline shall use its best efforts to expeditiously resolve such variance through immediate consultation with its Contractors. Until it has been determined by the Work Liaison that the Work has been performed without material variance from the approved cost, schedule, drawings, plans and specifications and applicable standards, the Work Liaison may, by written notice to Airline, (i) suggest to Airline that Airline withhold payments from any Contractor which has performed, in the judgment of the Work Liaison, Work which is at material variance from the approved cost, schedule, drawings, plans and specifications, or applicable standards or (ii) suggest to Airline that it stop Work where it is directly affected by such variance from the approved cost, schedule, drawings, plans, specifications and applicable standards. If Airline's response is unacceptable in the reasonable opinion of the Work Liaison, the Work Liaison shall have the right to direct Airline to stop any other Work that is at variance with the approved cost, schedule, drawings, plans, and specifications or applicable standards until the affected Work is corrected or replaced.

Any Work which is at material variance from the approved cost, schedule, drawings, plans, and specifications or applicable standards shall be corrected or replaced by Airline, directly or through its Contractors,

provided that the Work Liaison has informed Airline of such variance within ten (10) business days following the performance of such Work, unless the variance affects the structural integrity or safety of the Airline Project or the variance could not have been discovered with due diligence, in which case the Work Liaison shall inform Airline of such variance as soon as reasonably practicable. If such Work is not corrected or replaced by Airline within thirty (30) days following notice from the Work Liaison to Airline, the Work Liaison may cause such work to be corrected or replaced, with City's own forces or otherwise, at the expense of Airline, provided that in the event such Work cannot be corrected or replaced within said thirty (30) day period, Airline shall be afforded such additional time as the Work Liaison may determine to be reasonably necessary to correct or replace such Work.

7. Ownership

City shall be and become the owner of each component of the Airline Project upon the City's acceptance of that respective component.

8. No Damages for Delay

Airline agrees and shall cause its Airline Project Contractors to agree that claims for damages or charges for additional costs or fees shall not be made against City by Airline or Airline Project Contractors, absent bad faith, fraud, or direct tortious interference, for costs incurred by reason of delays, disruptions, or hindrances in the Contractors' Work. In the event that any Contractor is delayed by causes beyond the reasonable control of such Contractor, the Airline Project schedule for the performance of the Work may be extended by Airline with City approval, to reflect the extent of such delay, provided that Airline shall have given City written notice within ten (10) days of the commencement of such delay and shall have received City's written approval of the extension, which approval shall not be unreasonably withheld. Such notice by Airline shall include a description of the reasons for the delay and the steps to be taken by Airline and Contractor to mitigate the effect of such delay on the Airline Project schedule. City's permitting any Contractor to proceed with its Work, or any part thereof, after such extension shall in no way operate as a waiver of any other rights on the part of City. City shall not be responsible to Airline or its Contractors for any claims for damages or charges for additional costs or fees incurred by reason of delays, disruptions, or hindrances caused by Airline's bad faith, fraud, or direct tortious interference with its Contractors.

9. Prevailing Wage

All Airline Project Contracts entered into by Airline shall contain provisions complying with 820 ILCS 130/0.01 *et seq.*, as it may be amended over the course of the Agreement (within this paragraph only, the "Act"), so long as the Act is in effect, in order to ensure that such persons covered by the Act are paid the prevailing wage rate as ascertained by the Illinois Department of Labor. All such Airline Project Contracts shall list the

specified rates to be paid to all laborers, workers, and mechanics for each craft of type of worker or mechanic employed in the Airline Project Contract. If the Illinois Department of Labor revises such prevailing wage rates, the revised rates shall apply to all such Airline Project Contracts. Upon request by City, Airline shall provide City with copies of all Airline Project Contracts entered into by Airline to evidence compliance with the provisions of the Act.

10. Performance and Payment Bonds

Airline shall require each of its Airline Project Contractors performing construction Work at or related to the Airport to post a performance and payment bond in the full value of the construction Work to be performed under its Airline Project Contract. Such bonds shall comply with the provisions of 30 ILCS 550/1, and Section 2-92-030 of the Municipal Code. The bond shall be in same form and content as provided by City. The surety issuing such bond shall be acceptable to City's Risk Manager. City and Airline shall be named as co-obligees on all such bonds; provided, however, that City shall be named as the primary co-obligee.

11. Veterans Preference

Airline shall insure that the following provision is inserted in all Airline Project Contracts entered into with any Airline Project Contractor and any labor organization which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor, or services in connection with this Agreement.

"Contractor shall comply with the provisions of 330 ILCS 55/0.01 et seq. which requires that a preference be given to veterans in the employment and appointment to fill positions in the construction, addition to, or alteration of all public works. In the employment of labor (except executive, administrative and supervisory positions) a preference shall be given to veterans of the Vietnam era and disabled veterans; however, this preference may be given only where the individuals are available and qualified to perform the work to which the employment relates."

12. Steel Products

Airline shall insure that the following provision is inserted in all Airline Project Contracts entered into with any Contractors and any labor organizations which furnish skilled, unskilled and craft union labor or services in connection with the Airline Project.

"This contract shall be subject to all provisions of the 'Steel Products Procurement Act' (30 ILCS 565/1 et seq.). Steel Products used or supplied in the performance of this Contract or any subcontract thereto shall be manufactured or produced in the United States.

For purposes of this Section 'United States' means the United States and any place subject to the jurisdiction thereof and 'Steel Products' means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated, or otherwise

similarly processed or processed by a combination of two or more such operations, from steel made in the United States by the open hearth, basic oxygen, electric furnace, Bessemer or other steelmaking processes. Knowing violation of this Section may result in the filing and prosecution of a complaint by the Attorney General of the State of Illinois and shall subject violators to a fine of the greater of \$5,000 or the payment price received as a result of such violation."

13. Residency

In the event that this Agreement is for construction in excess of \$100,000, Airline shall include a provision in its Airline Project Contract that the Airline Project Contractor shall comply with the provisions of Chapter 2, Section 2-92-320 of the Municipal Code which requires that of the total construction worker hours performed by an Airline Project Contractor in the categories of unskilled construction laborers and skilled construction trade workers, at least 50% in each category shall be performed by residents of the City.

14. Liquidated Damages

If the Work is not substantially complete within the time frames set forth in the Airline Project Contract, as adjusted by change orders, both additive and deductive, it is understood that the City will suffer substantial damage; and it being impracticable and infeasible to determine the exact amount of actual damages which may be sustained, it is agreed that the Contractor shall pay as liquidated damages, and not as a penalty or as a limitation on the City or Airline, a sum in accordance with the amounts set forth in the Illinois Department of Transportation Standard Specifications for Road and Bridge Construction applicable at the time the Airline Project Contract is entered into for each calendar day the Work is not substantially complete.

15. MacBride Principles for Northern Ireland

The City of Chicago through the passage of the MacBride Principles ordinance seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provide a better working environment for all citizens in Northern Ireland.

In accordance with Section 2-92-580 of the Municipal Code, if the primary Airline Project Contractor conducts any business operations in Northern Ireland, it is hereby required that the Airline Project Contractor shall make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

For those Airline Project Contractors who take exception in competitive bid contracts to the provision set forth above, the City shall assess an eight percent penalty. This penalty shall increase their bid price for the purpose of canvassing the bids in order to determine who is to be the lowest responsible bidder. This penalty shall apply only for purposes of comparing bid amounts and shall not affect the amount of any contract payment.

The provisions of this Section shall not apply to contracts for which the City receives funds administered by the United States Department of Transportation, except to the extent Congress has directed that the Department of Transportation not withhold funds from states and localities that choose to implement selective purchasing policies based on agreement to comply with the MacBride Principles for Northern Ireland, or to the extent that such funds are not otherwise withheld by the Department of Transportation.

16. Disclosure Affidavit and Disclosure of Retained Parties

Each Airline Project Contractor shall execute and deliver to the City an EDS.

17. Permits and Licenses

Each Airline Project Contractor shall obtain all permits and licenses required, including, without limitation, those required for compliance with all City building codes.

18. City Child Support Ordinance

Each Airline Project Contractor shall comply with Section 2-92-415 of the Municipal Code.

19. Conflict of Interest

(a) No member of the governing body of the City or other units of government and no other officer, employee, or agent of the City or other unit of government who exercises any functions or responsibilities in connection with the Work to which an Airline Project Contract pertains, shall have any personal interest, direct, or indirect, in the Airline Project Contract. No member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or City employee shall be permitted to any share or part of an Airline Project Contract or to any financial benefit to arise from it.

(b) Each Airline Project Contractor and design consultant shall covenant that it, its officers, directors and employees, and the officers, directors and employees of each of its members if a joint venture, and subcontractors presently have no interest and shall acquire no interest, direct or indirect, in the Project which would conflict in any manner or degree with the performance of the Work hereunder. Each Airline Project Contractor and design consultant shall further covenant that in the performance of this Contract, no person having any such interest shall be employed. Each Airline Project Contractor and design consultant shall agree that if the City, by the Commissioner in his or her reasonable judgment, determines that any of an Airline Project Contractor's or design consultant's work for others conflicts with the Work, that Airline Project Contractor and/or design consultant shall terminate such other services immediately upon request of the City.

(c) Furthermore, if any federal funds are to be used to compensate or reimburse the Airline Project Contractor or design consultant under this Contract, the Airline Project Contractor and/or design consultant represents that it is and will remain in

compliance with federal restrictions on lobbying set forth in Section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1990, 31 U.S.C. §1352, and related rules and regulations set forth at 54 Fed. Reg. 52,309 ff. (1989), as amended. If federal funds are to be used, the Airline Project Contractor and design consultant shall execute a Certification Regarding Lobbying, which shall be attached to their respective contracts as an exhibit and incorporated by reference as if fully set forth therein.

20. Chapter 2-56 of the Chicago Municipal Code Office of Inspector General

- (a) It shall be the duty of any bidder, proposer, Airline Project Contractor, design consultant, all subcontractors and every applicant for certification of eligibility for a City contractor program, and all officers, directors, agents, partners and employees of any bidder, proposer, contractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Each Airline Project Contractor and design consultant understands and will abide by all provisions of Chapter 2-56 of the Municipal Code.
- (b) All subcontracts shall inform Subcontractors of this provision and require understanding and compliance herewith.

21. Governmental Ethics Ordinance

Each Airline Project Contractor and design consultant shall comply with Chapter 2-156 of the Municipal Code, "Governmental Ethics", including but not limited to Section 2-156-120 pursuant to which no payment, gratuity or offer of employment shall be made in connection with any City contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of this chapter shall be voidable as to the City.

22. Section 2-92-380 of the Municipal Code

In accordance with Section 2-92-380 of the Municipal Code and in addition to any other rights and remedies (including any of set-off) available to the City under the Airline Project Contract or permitted at law or in equity, the Commissioner, if so directed by the City, shall be required to set off a portion of the Contract price or compensation due under an Airline Project Contract, in an amount equal to the amount of the fines and penalties for each outstanding parking violation complaint and/or the amount of any debt owed by the contracting party to the City. Airline shall include a provision which entitles the Commissioner to set off such funds in all Airline Project Contracts and any other agreements for any Airline Projects.

23. Americans with Disabilities Act



All construction or alteration undertaken by Airline Project Contractors and/or design consultants shall be performed in compliance with all federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: American with Disabilities Act, P.L. 101-336 (1990) and the Uniform Federal Accessibility Standards or the Americans with Disabilities Act; and, the Illinois Environmental Barriers Act, 410 ILCS 25/1 *et seq.* (1991), and the regulations promulgated thereto at 71 Ill. Adm. Code Ch. 1, Sec. 400.110. In the event that the above-cited standards are inconsistent, the Airline Project Contractor and design consultant shall comply with the standard providing greater accessibility.

24. Open Dumping Prohibited

The removal of all recyclable materials and garbage, refuse or other waste material, including, but not limited to, broken concrete, bricks, rock, paving asphalt and incidental debris generated from all construction or demolition activities performed under this contract must be transported to a facility in compliance with all applicable Environmental Laws and, if within the City, zoned and permitted to accept such material pursuant to Section 11-4 of the Municipal Code and all applicable local, state and federal regulations.

## EXHIBIT K

### CAPITAL PROJECT PROCEDURES

#### 1. Development of Contract Documents

- (a) The City will not materially change the scope of any project set forth in Exhibit N without approval of a Majority-in-Interest pursuant to Section 10.03.
- (b) The City will engage in regular reviews of draft contract documents with the Signatory Airlines. Any comments must be submitted to the City within fourteen (14) days.
- (c) The City will submit 95% contract documents for review by the Signatory Airline. Any comments must be submitted to the City within twenty-one (21) days. The City shall respond to comments submitted in a timely manner by the Signatory Airlines. The Commissioner shall have final determination regarding resolution of comments.

#### 2. Contract Bid/Award

- (a) Bid tabulations will be provided to the Signatory Airlines by the City.
- (b) Each proposed contract award is to be reviewed with the Signatory Airlines prior to recommendation of award by the Commissioner. Any comments must be submitted to the City within five (5) days. The City shall respond to comments submitted in a timely manner by the Signatory Airlines. The City's Chief Procurement Officer shall have final determination regarding responsibility and responsiveness of bids and bidders.
- (c) The City may award a contract for a capital project without any further approval if the award amount is no greater than 5% over the budget for such project as provided to the Signatory Airlines.
- (d) The City may award a contract for a capital project, after consultation with the Signatory Airlines, if the award amount is greater than 5% over the budget for such project as provided to the Signatory Airlines but less than \$5,000.
- (e) If the contract award amount is greater than 5% and more than \$5,000 over budget, the City must consult with the Signatory Airlines and, prior to proceeding with the contract award, obtain approval of a Majority-in-Interest to proceed with one or more of the following:
  - (i) redesign of project to achieve budget;
  - (ii) reallocation of budget (including contingencies) from other projects;

- (iii) adjustment of financial plan based on revised project budget to minimize impact on net airline requirement;
- (iv) increase in project budget; or
- (v) stopping of work on the project.

3. Construction

- (a) All construction and equipping of a project shall be performed in accordance with the contract documents.
- (b) The City shall diligently pursue all reasonable remedies against architects, engineers and contractors for defective or delayed design or work with respect to the project. The Airline may, after election by a Majority-in-Interest, become subrogated to the City's rights.
- (c) The Airline will have the right to participate in City project status meetings.
- (d) The City shall give due consideration to Signatory Airline comments with respect to operational impacts, cost impacts, schedule impacts and quality during construction.
- (e) The City shall advise the Signatory Airlines of any proposed changes during construction which materially impact budget or schedule. Any comments must be submitted to the City within five (5) days. The City shall respond to comments submitted in a timely manner by the Airline. The City shall consult with the Signatory Airlines with respect to any budget impacts to determine which, if any, of the following resolutions shall be implemented:
  - (i) reallocation of budget, including contingency;
  - (ii) revision to scope or schedule;
  - (iii) revision to financial plan; or
  - (iv) modification or rejection of proposed change.

4. Project Completion

Upon completion of each capital project in the Capital Improvement Program, the City shall prepare, execute and deliver to the Airline a cost allocation certificate, setting forth the costs of design, construction and equipping of the project. This shall include an allocation between the Cost Centers.

5. General

- (a) The City shall mean the City's Department of Aviation or any person or entity designated in writing to represent the City.

- (b) The Airline or the Signatory Airlines, as the case may be, shall mean the Airline or any person or entity designated in writing to represent the Airline or the Signatory Airlines, as the case may be.
- (c) The City reserves the right to promulgate additional procedures for the review and approval of design documents prepared by or on behalf of the Signatory Airlines, which procedures may be attached as a schedule hereto without an amendment to this Agreement.

## EXHIBIT L

### COMPLIANCE WITH ALL LAWS

Airline shall comply and shall include in all of its Contracts a requirement that its Contractors comply, with all applicable federal, state, and local laws, codes, regulations, ordinances, executive orders, rules, and orders. Airline agrees that all of the provisions set forth in this Exhibit will be incorporated in all Contracts. Further, Airline shall execute and shall include in all of its Contracts a requirement that its Contractors execute such affidavits and certifications as shall be required by the City. Such certifications shall be attached and incorporated by reference in the applicable Project Contracts. In the event that any Contractor is a partnership or joint venture, the Airline shall also include provisions in its Contract insuring that the entities comprising such partnership or joint venture shall be jointly and severally liable for its obligations thereunder.

#### 1. Non-discrimination

##### (a) General Requirements

It shall be an unlawful employment practice for the Airline (1) to fail to hire, to refuse to hire, to discharge, or to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap, or national origin; or (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee because of such individual's race, color, religion, sex, age, handicap, or national origin.

Airline must comply with The Civil Rights Act of 1964, 42 U.S.C. Sec. 2000 *et seq.* (1988), as amended. Airline shall further comply with Executive Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000(e) note, as amended by Executive Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Executive Order No. 12,086, 43 Fed. Reg. 46,501 (1978); the Age Discrimination Act, 42 U.S.C. Sec. 6101-6106 (1988); the Rehabilitation Act of 1973, 29 U.S.C. Sec. 793-794 (1988); the Americans with Disabilities Act, 42 U.S.C. sec. 12102 *et seq.*; 41 C.F.R. Part 60 *et seq.* (1990); the Air Carriers Access Act, 49 U.S.C. Sec. 1374; FAA Circular No. 150/5100 15A; and all other applicable federal laws, rules, regulations and executive orders.

##### (b) State Requirements

Airline must comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.*, as amended and any rules and regulations promulgated in accordance therewith, including the Equal Employment Opportunity Clause, 445 Ill. Admin. Code 750, Appendix A. Airline must also comply with the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 *et seq.*, as amended; the

Environmental Barriers Act, 410 ILCS 25/1 *et seq.*; and all other applicable state laws, rules, regulations and executive orders.

(c) City Requirements

Airline must comply with the Chicago Human Rights Bond Ordinance, Chapter 2-160, Section 2-160-010 *et seq.* of the Municipal Code; and all other applicable Municipal Code provisions, rules, regulations and executive orders.

Further, the Airline must furnish, or cause each of its Contractors to furnish, such reports and information as requested by the Chicago Commission of Human Relations.

2. Equal Employment Opportunity

In the event of the Airline's non-compliance with the provisions of this Equal Employment Opportunity Clause, the Illinois Human Rights Act, or the Rules and Regulations of the Illinois Department of Human Rights ("Department"), the Airline may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this Agreement, the Airline agrees as follows:

- (a) That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.
- (b) That if it hires additional employees in order to perform this Agreement, it will determine the availability (in accordance with the Department's Rules) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
- (c) That in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service.
- (d) That it will send to each labor organization or representative of workers with which it has or is bound by collective bargaining or other agreements, a notice advising such labor organization or representative of its obligation under the Illinois Human Rights Act and the Department's Rules. If any such labor organization or representative fails or refuses to cooperate with it in its efforts to

comply with such Act and Rules, it will promptly so notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations thereunder.

- (e) That it will submit reports as required by the Department's Rules, furnish all relevant information as may from time to time be reasonably requested by the Department or the City, and in all respects comply with the Illinois Human Rights Act and the Department's Rules.
- (f) That it will permit access to all relevant books, records, accounts, and work sites by personnel of the City and the Department for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules.
- (g) That it will include, verbatim or by reference, the provisions of this Section 2 in every Construction Contract it awards under which any portion of the obligations are undertaken or assumed, so that such provisions will be binding upon such Contractor. In the same manner as with other provisions of this Agreement, the Airline will be liable for compliance with applicable provisions of this clause by its Contractors; and further it will promptly notify the City and the Department in the event any Contractors fails or refuses to comply therewith. In addition, the Airline will not utilize any Contractors declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations.

### 3. Safety and Security

- (a) The Airline expressly acknowledges its responsibility to provide security at the Airport in accordance with 49 U.S.C. sec. 449 and 14 CFR Part 107, "Airport Security," as such may be amended from time to time, including any applicable rules and regulations promulgated thereunder, and with all rules and regulations of the City concerning security procedures, including the Airport's approved security program. The Airline expressly acknowledges its responsibility to provide security with respect to airplane operations in accordance with 14 CFR Part 108. "Airplane Operation Security," as such may be amended from time to time, and with the Rules and Regulations of the City concerning security procedures, including the Airport's approved security program.
- (b) The Airline shall insure that the following provision is inserted in all contracts entered into with any Contractors and any labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with this Agreement:

"Aviation Security: This Agreement is subject to the airport security requirements of 49 U.S.C. chapter 449, as amended, the provisions of which govern airport security and are incorporated by reference, including without limitation the rules and regulations in 14 C.F.R. part 107 and all

other applicable rules and regulations promulgated thereunder. In the event that Airline, or any individual employed by Airline, in the performance of this Agreement, has (i) unescorted access to aircraft located on or at the Airport (ii) unescorted access to secured areas or (iii) capability to allow others to have unescorted access to such aircraft or secured area, Airline shall be subject to, and further shall conduct with respect to its Contractors and their respective employees, such employment investigations, including criminal history record checks, as the Administrator of the Federal Aviation Administration, the Under Secretary of the Transportation Security Administration and City may deem necessary. Further, in the event this Agreement involves the construction, reconstruction, demolition or alteration of facilities to be located at or on the Airport, Airline shall, notwithstanding anything contained herein, at no cost to City, perform all obligations hereunder in compliance with those guidelines developed by City, the Transportation Security Administration and the Federal Aviation Administration, and in effect as of the Effective Date with the objective of maximum security enhancement. In the event the Agreement involves the design of facilities or equipment, the drawings, plans, and specifications to be provided under the Agreement shall comply with those guidelines developed by City, the Transportation Security Administration and the Federal Aviation Administration and in effect at the time of the submit of such drawings, plans, and specifications."

4. Americans With Disabilities Act

The Airline shall insure that the appropriate provision set forth below is inserted in all contracts entered into with any design professional or with any Contractors and any labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with this Agreement:

Designs

"The Consultant warrants that all design documents produced for the City under this Agreement shall comply with all federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, 42 U.S.C. sec. 12102 *et seq.*; 41 C.F.R. part 60 *et seq.*; the Uniform Federal Accessibility Standards ("UFAS") or the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities ("ADAAG"); the Illinois Environmental Barriers Act. 410 ILCS 25/1 *et seq.*, and the regulations promulgated thereto at 71 III. Adm. Code ch. 1, Sec. 400.110 *et seq.*; and all other applicable statutes, rules, regulations and executive orders. In the event that the above cited standards are inconsistent, the Consultant shall comply with the standards providing greater accessibility."

Construction Contracts



"All construction or alteration undertaken by Contractor under this contract shall be performed in compliance with all federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P42 U.S.C. sec. 12102 *et seq.*; 41 C.F.R. part 60 *et seq.*; the Uniform Federal Accessibility Standards ("UFAS") or the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities ("ADAG"); the Illinois Environmental Barriers Act, 410 ILCS 25/1 *et seq.*; and the regulations promulgated thereto at 71111. Adm. Code ch. 1, Sec. 400.110; and all other applicable statutes, rules, regulations and executive orders. The Contractor shall, prior to construction, review the plans and specifications and notify the Airline and the City in the event that the plans and specifications are not in compliance with the above referenced standards."

5. Inspector General and Legislative Inspector General

Pursuant to Section 15.07 of this Agreement, the Airline shall ensure that the provisions set forth below is inserted in all contracts entered into with any design professional or with any Contractors and any labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with this Agreement:

"Contractor and all of its subcontractors have a duty to cooperate with the Inspector General of the Legislative Inspector General of the City in any investigation or hearing, if applicable, undertaken pursuant to Chapters 2-56 or 2-55, respectively, of the Municipal Code. Contractor understands and will abide by all provisions of those chapters. All subcontracts must inform Subcontractors of this provision and require understanding and compliance with them."

## EXHIBIT M

### AFFIRMATIVE ACTION

1. Minority and Women Business Enterprise

Airline shall provide for the participation of Minority and Women Business Enterprises in any Project it performs under this Agreement. To this end, Airline shall establish a policy for the utilization of Minority and Women Business Enterprises, a liaison with the Department of Aviation and Department of Procurement Services for Minority and Women Business Enterprises, a goal for the award of Project Contracts, and a reporting procedure agreeable to the Airline and the City.

(a) Policy

The following statement represents Airline's policy regarding Equal Opportunity and a Minority and Women Business Enterprises program:

Airline is committed to providing fair and representative opportunities for minorities and women and Minority and Women Business Enterprises in its Work. Neither Airline nor its Contractors shall discriminate on the basis of race, color, religion, sex or national origin in the award and performance of Contracts to be utilized for any of the Work hereunder. Furthermore, affirmative action will be taken, consistent with sound procurement policies and applicable law, to ensure that Minority and Women Business Enterprises are afforded a fair and representative opportunity to participate in Contracts awarded by Airline.

This policy shall be stated in all Airline Project Contracts, circulated to all employees of Airline in affected departments, and made known to minority and women entrepreneurs.

(b) Liaison

To ensure compliance and the successful management of Airline's Minority and Women Business Enterprise program, Airline shall establish a Minority and Women Business Enterprise liaison with City's Department of Aviation and with the City's Department of Procurement Services. Further, all personnel of Airline and all others with responsibilities in the supervision of Airline Project Contracts for the Airline are to see that actions are performed consistent with the affirmative action goals of this Agreement.

(c) Goals

The goals to be met by Airline in the Airline Project hereunder shall be with utilization of Minority Business Enterprises ("MBE") and Women Business Enterprises ("WBE") certified by the City of Chicago, subject to the availability of MBE and WBE capable of performing the Work. These goals shall be

administered in a manner to assure City and Airline that: (1) the Work shall be completed at a reasonable and acceptable cost to Airline, (2) the Work shall be completed on a reasonable and acceptable timetable to Airline and City and, (3) the quality of the Work shall be reasonable and acceptable to Airline and City.

The goals of the Airline for participation by MBEs and WBEs in the Airline Project shall be to achieve a minimum of MBE participation of 25% and WBE participation of 5%, based on the total contracted expenditures for the Airline Project.

Should Airline determine that no MBE and WBE is capable or available to perform the Airline Project, it shall notify the Commissioner specifying the type of Work required and the reasons an MBE and/or WBE is not available to perform such Work. Airline shall also notify the Department of Procurement Services, which shall determine if any MBE and WBE are available to perform the Work needed. If the Department of Procurement Services determines that MBEs or WBEs are available to perform such Work, it shall notify the Airline of such availability and Airline will be required to utilize such MBE and WBE to the extent the goals set forth above can be met.

(d) Eligibility

Only those persons, firms, partnerships, corporations or other legal entities certified by the City of Chicago as a certified MBE and/or WBE shall be eligible for purposes of meeting the goals established by this Agreement.

(e) Reporting

The Minority and Women Business Enterprise progress report required by this section shall be made on forms or on a format established by City and agreeable to Airline. Such reports shall include the following items:

- (i) the total amount of prime and subcontract awards during the quarter and, for any Airline Project awards to Minority and Women Business Enterprises resulting therefrom, the name of the Minority and Women Business Enterprise and the amount of the Contract with the Minority and Women Business Enterprise;
- (ii) the cumulative value of all prime and subcontract awards to date, and the total accumulation of all awards to Minority and Women Business Enterprise;
- (iii) a projection of the total amount of prime and subcontracts to be awarded and of Minority and Women Business Enterprise Contracts to be awarded during the next quarter;

- (iv) all Minority and Women Business Enterprise subcontracts that have been completed and for which final payment has been made during the quarter; and
- (v) an evaluation of the overall progress to date towards the Minority and Women Business Enterprise goals for the Work.

2. Equal Employment Opportunity and Affirmative Action Plan

Airline must commit to establish, maintain and implement a written Equal Employment Opportunity and Affirmative Action Plan (the "EEO/AA Plan") for that Work involving Airline Project construction, which plan is acceptable to City and Airline.

The EEO/AA Plan will be considered in relation to the following goals for employment of women and minorities:

Minority Employment:

25% of skilled hours

40% of laborer hours

Women's Employment

7% of skilled hours

10% of laborer hours

3. Employment of City Residents

Airline agrees to ensure that in the aggregated hours of Airline Project involving construction work to be performed, at least 50% of the on-site worker hours in the category of construction laborers and at least 50% of the on-site worker hours in the category of skilled construction trade workers shall be residents of the City.

4. Reporting and Compliance

In the event that there are Airline Project Contracts subject to this Agreement, at quarterly intervals, beginning ninety (90) days following the execution of this Agreement, Airline shall submit to City progress reports on forms or on a format established by City's Department of Procurement Services and agreeable to Airline, that provide required information concerning Airline compliance with Airline's MBE/VIBE requirements, EEO and Affirmative Action Plan, and Chicago First Hiring Program.

5. Non-Responsible Bidder

Prior to awarding any Airline Project Contracts, Airline shall provide City with the names of vendors who may be awarded such Contracts. City shall promptly notify Airline if a potential vendor appears on the City's list of non-responsible bidders. Airline agrees that

no Contracts for Work shall be awarded to persons or corporations identified on City's list of non-responsible bidders, so long as such list does not discriminate against any bidders because of race, religion, age, handicap, color, sex, national origin, citizenship or political affiliation.

6. Contracting Authority of Airline

Nothing contained herein shall be deemed to supersede the authority and responsibility which may otherwise be granted to Airline with respect to the contracting process for the Work.

**EXHIBIT N**

**PREVIOUSLY APPROVED CAPITAL PROJECTS**

| <b>Project No.</b> | <b>Project Description</b>  | <b>MII Approved Budget</b> |
|--------------------|---|----------------------------|
| TBD                | Airfield Drainage Study   | \$ 150,000                 |
| TBD                | Airfield Lighting Control Vault Enhancements                      | \$ 2,121,405               |
| M6097              | Airside Service Road Rehabilitation                               | \$ 2,872,028               |
| TBD                | AOA Ramp Door Replacement   | \$ 757,680                 |
| TBD                | Automated Revenue Control Equipment (Terminal Garage)             | \$ 2,800,000               |
| TBD                | Central Heating & Refrigeration Plant (CHRP) Upgrades             | \$ 5,808,000               |
| M3041              | CTA Equipment Upgrade / Replacement                               | \$ 2,300,000               |
| M8114              | Equipment / Vehicles Acquisitions 2010 thru 2012                  | \$ 3,380,000               |
| TBD                | Escalator & Moving Walkway Rehabilitation                         | \$ 834,240                 |
| M8115              | Fire Alarm System Control Panel Upgrade                           | \$ 125,000                 |
| M7010.05           | H&R Buyout  | \$ 11,500,000              |
| M6093              | Hold Pad 31C Rehabilitation Phase 2                               | \$ 3,000,000               |
| M8107              | Implementation 2010 thru 2012                                     | \$ 9,255,062               |
| M6098              | Installation of Centerline & Threshold Lighting Sys. Rnwy 4R/22L  | \$ 4,225,127               |
| M8110.06           | Land Acquisition Parcel Acquisitions 133, 134, 149, 150, 151, 152 | \$ 17,600,000              |
| TBD                | Landside Parking Lot Improvements                                 | \$ 4,184,076               |
| TBD                | Midway Security Camera Upgrade                                    | \$ 2,239,700               |
| M6073              | Obstruction Removal   | \$ 2,400,000               |
| M1054              | Remove RACY Counters Terminal Baggage Area                        | \$ 193,500                 |
| M5025              | Rental Car Facility   | \$ 90,462,000              |
| M8053              | Residential Sound Insulation Program                              | \$ 90,000,000              |
| M8053              | Residential Sound Insulation Program                              | \$ 17,625,000              |
| TBD                | Residential Sound Insulation Program (RSIP)                       | \$ 68,750,000              |
| M5053              | Restore Alamo/National Lot 55th Kilpatrick                        | \$ 4,000,000               |
| M5050.07           | Revenue Control Equipment Terminal Garage                         | \$ 1,472,909               |
| M5020              | Runway 13C/31C Hold Pad - Detention Basin                         | \$ 660,000                 |
| TBD                | Runway 13C/31C Rehabilitation (30 Percent Conceptual Design)      | \$ 151,800                 |
| M6093              | Runway 13L / 31R Rehabilitation                                   | \$ 10,928,100              |
| M6096              | Runway 4L/22R Rehabilitation & Taxiway P Reconfiguration          | \$ 15,920,480              |
| TBD                | Security Checkpoint Enhancements Security Booths 55th & 63rd St.  | \$ 1,988,177               |
| M6094              | Taxiway K Reconstruction (Additional Scope)                       | \$ 4,666,466               |
| M6099              | Taxiway Y Rehab - (Additional Scope & Remote Deicing)             | \$ 4,418,684               |
| M1053              | Terminal & Facilities Mechanical & Electrical Upgrades            | \$ 7,097,455               |
| M5051              | Terminal Curbfront  | \$ 1,500,000               |
| TBD                | Terminal Expansion Joint Replacement                              | \$ 706,200                 |
| M5051              | Terminal Front Entry Door Replacement                             | \$ 500,000                 |
| M5052              | Terminal Garage Limited Rehab Level 2                             | \$ 645,000                 |
| TBD                | Terminal Parking Structure Lighting System Upgrades               | \$ 1,780,944               |
| TBD                | Trunk Radio System Replacement                                    | \$ 1,998,750               |
| TBD                | Waste Recovery Facility   | \$ 1,712,150               |
| <b>TOTAL</b>       |   | <b>\$ 402,729,933</b>      |

# EXHIBIT O

## METHODOLOGY OF CALCULATING RENTALS, FEES AND CHARGES

|  | Cost Centers |             |   |               |                   | ADF | Fueling System  | Equipment         |
|--|--------------|-------------|---|---------------|-------------------|-----|---|-------------------|
|  | Airfield     | Terminal    | Terminal Ramp   | FIS           | Parking & Roadway |     |   |                   |
| <b>Expenses:</b>   |              |             |   |               |                   |     |   |                   |
| 1. O&M Expenses  |              |             | Allocation O&M Expenses   |               |                   |     | O&M Expenses  |                   |
| 2. Net Requirement of Indirect Cost Center                     |              |             | Allocation Net Requirement of the Indirect Cost Center (See Exhibit G)  |               |                   |     |   |                   |
| 3. Debt Service  |              |             | Allocate Debt Service   |               |                   |     | Debt Service  |                   |
| 4. Fund Deposit Requirements                                   |              |             | Allocation Fund Deposit Requirements  |               |                   |     | Fund Deposit Requirements                                   |                   |
| 5. Uncollectible Signatory Airline Fees & Charges              |              |             | Uncollectible Signatory Airline Fees & Charges (see Section 9.06)   |               |                   |     |   |                   |
| 6. Total Expenses  |              |             | Total O&M Expenses, Debt Service, Fund Deposit Requirements, Net Requirement of Indirect Cost Center          |               |                   |     | Total O&M Expenses, Debt Service, Fund Deposit Requirements |                   |
| <b>Non-Airline Revenues:</b>                                   |              |             |   |               |                   |     |   |                   |
| 7. Non-Airline Revenues (including City-Controlled Facilities) |              |             | Allocation Total Non-Airline Revenues   |               |                   |     | Total Non-Airline Revenues                                  |                   |
| <b>Airline Requirements:</b>                                   |              |             |   |               |                   |     |   |                   |
| 8. Net Deficit (Surplus) Before Allocations                    |              |             | Line 6 Minus Line 7   |               |                   |     | Line 6 Minus Line 7   |                   |
| 9. Parking & Roadway Area Allocation                           |              |             | Net Rqmnt./Net Surplus of the Parking and Rdway. Area Allocated to Airfield, Terminal, Term. Ramp (See Ex. G) |               |                   |     |   |                   |
| 10. Support Facilities Area Allocation                         |              |             | Allocation of Net Rqmnt./Net Surplus Supp. Facility Area  |               |                   |     |   |                   |
| 11. Net Signatory Airline Requirement                          |              |             | Net Signatory Airline Requirement Line 8 (+/-) Line 9 (+/-) Line 10   |               |                   |     | Net Signatory Airline Requirement Line 8                    |                   |
| <b>Target Amount Allocations &amp; Rates:</b>                  |              |             |   |               |                   |     |   |                   |
| 12. Section 8.08 Adjustments                                   |              |             |   |               |                   |     | Transfer to ADF   |                   |
| 13. Signatory Units  | lbs.         | sq. feet    | sq. feet  | passengers    |                   |     | gallons   | lbs.              |
| 14. Signatory Rates  | \$/lbs.      | \$/sq. feet | \$/sq. feet   | \$/passengers |                   |     | \$/gallons  | \$/lbs.           |
| 15. Non-Signatory Rates  |              |             | Signatory Rates times 1.25  |               |                   |     | Sign. Rate x 1.25   | Sign. Rate x 1.25 |

(Continued on Next Page)

## Methodology of Calculating Rentals, Fees and Charges (Continued)

|  | Joint Use Bag Claim                           | Joint Use Bag Makeup              | Total |
|--|---|-----------------------------------|-------|
| <b>Joint Use Premises Space Charges</b>              |   |                                   |       |
| 16. Square Footage of Joint Use Bag Area             | Actual Square Footage of Areas from Exhibit D |                                   |       |
| 17. Gross Signatory Airline Rental Rate              | Rate per Square Foot from Line 14             |                                   |       |
| 18. Total Joint Use Bag Space Requirement            |   | Line 16 Multiplied by Line 17     |       |
| <b>Fixed Annual Fee</b>                              |   |                                   |       |
| 19. 10% Fixed Requirement                            |   | Line 18 Multiplied by 10%         |       |
| 20. Number of Signatory Airlines                     |   | Number of Signatory Airlines      |       |
| 21. Signatory Airline Fixed Annual Fee               |   | Line 19 Divided by Line 20        |       |
| 22. Non-Signatory Airline Fixed Annual Fee           |   | Line 21 Multiplied by 1.25        |       |
| <b>Variable Rate</b>                                 |   |                                   |       |
| (per 1,000 lbs. of Landed Weight)                    |   |                                   |       |
| 23. 90% Variable Requirement                         |   | Line 18 Multiplied by 90%         |       |
| 24. Signatory Landed Weight Units                    |   | Estimated Signatory Landed Weight |       |
| 25. Signatory Airline Variable Charge per 1,000 lbs. |   | Line 23 Divided by Line 24        |       |
| 26. Non-Signatory Airline Variable Charge            |   | Line 25 Multiplied by 1.25        |       |



# **EXHIBIT B**

---

**AGREEMENT BY AND BETWEEN THE  
MIDWAY AIRLINES' TERMINAL CONSORTIUM  
AND  
THE CITY OF CHICAGO**

---

**AGREEMENT BY AND BETWEEN THE CITY OF CHICAGO  
AND THE MIDWAY AIRLINES' TERMINAL CONSORTIUM**

**THIS AGREEMENT**, dated as of \_\_\_\_\_, 20\_\_\_\_ by and between the City of Chicago, a municipal corporation and home rule unit of government organized and existing under Article VII, Sections 1 and (6)(a), respectively, of the 1970 Constitution of the State of Illinois (the "**City**"), and Midway Airlines' Terminal Consortium, a not-for-profit corporation duly organized and acting under the law of the State of Illinois ("**MATCO**").

**WITNESSETH:**

**WHEREAS**, the City owns and operates Chicago Midway International Airport (the "**Airport**"), and has the power to grant rights and privileges with respect thereto; and

**WHEREAS**, MATCO was organized by certain air carriers operating at the Airport as the representative of those air carriers (the "**Members**"); and

**WHEREAS**, MATCO desires to furnish, install, operate and maintain certain common-use airline equipment in and about the Terminal on behalf of its Members; and

**WHEREAS**, MATCO further desires to furnish, install, operate and maintain certain fuel facilities on behalf of its Members; and

**WHEREAS**, the City desires to grant MATCO the authority to operate as the representative of its Members in the furnishing, installation, operation and maintenance of the common-use airline equipment and fuel facilities;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants set forth in this Agreement, the City and MATCO agree as follows:

**ARTICLE I**  
**INCORPORATION OF RECITALS**  
**AND DEFINITIONS**

**Section 1.01 - Incorporation of Recitals.**

The recitals set forth above are incorporated by reference as if fully set forth here.

**Section 1.02 - Definitions.**

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

“**Agreement**” means this Agreement and all exhibits, amendments and supplements hereto.

“**Base Equipment Fee Rate**” means the Base Equipment Fee Rate calculated in accordance with Section 5.02.

“**Base Fuel Fee Rate**” means the Base Fuel Fee Rate calculated in accordance with Section 5.02.

“**Bonds**” has the meaning set forth in Section 4.02(A).

“**Chairperson of MATCO**” means the individual elected as the chairperson of the board of directors pursuant to the terms and conditions of the Member Agreement.

“**Claims**” has the meaning set forth in Section 7.01(A).

“**Commissioner**” means the chief executive officer of the City’s Department of Aviation (or any successor to the duties of such official), or any representative designated by the Commissioner to act on his or her behalf.

“**Contractors**” means persons or firms hired by MATCO to act as its agents or as independent contractors for the performance of Work, or the operation and maintenance of the MATCO Equipment and the Fuel System.

“**Contracts**” means all agreements MATCO enters into with any supplier of materials, furnisher of services, contractors, subcontractors or any labor organization which furnishes skilled, unskilled and craft union skilled labor, or which may perform any such labor, services or Work in connection with this Agreement.

“**Days**” means calendar days, unless otherwise expressly provided for herein.

“**Documents**” means all documents and data, including studies, reports, drawings, models, specifications, estimates, maps, calculations and instruments of service prepared under or in connection with this Agreement.

“**Easements**” means the non-exclusive easements granted by the City to MATCO pursuant to this Agreement, which are described in Exhibit A, attached hereto and incorporated by reference herein, as such Exhibit A may be amended from time to time by agreement of the Commissioner and MATCO, for the purposes of performing Work and maintaining and operating the MATCO Equipment and the Fuel System.

“**Environmental Laws**” has the meaning set forth in Section 8.08(B).

“**Equipment Cost Center**” means the Equipment Cost Center or its equivalent established under the Use Agreements.

“**Equipment Cost Center Per Capita Fee**” has the meaning set forth in Section 5.01(A).

“**Equipment Fee**” means the Equipment Fee calculated in accordance with Section 5.01(B).

“**Federal Aviation Administration**” or “**FAA**” means the Federal Aviation Administration of the U.S. Department of Transportation or any successor agency.

“**Federal Bankruptcy Code**” means the U.S. Bankruptcy Code (11 U.S.C. § 101 *et seq.*) or any successor statute thereto.

“**Fiscal Year**” means the City’s fiscal year, which commences on January 1st and ends on December 31st of each calendar year.

“**Fuel**” means jet fuel, aviation gasoline, automotive gasoline, diesel fuel, and any other materials stored in or put through the Fuel System for use in connection with the use of aircraft or service vehicles.

“**Fuel Member**” means a Member that is also a signatory to the Interline Agreement.

“**Fuel Cost Center**” means the Fuel Cost Center or its equivalent established under the Use Agreements.

“**Fuel Cost Center Per Capita Fee**” has the meaning set forth in Section 5.01(A).

“**Fuel Fee**” means the Fuel Fee calculated in accordance with Section 5.01(B).

“**Fuel Hydrant System**” means that portion of the Fuel System consisting of the pumps, operating pipelines, fuel hydrants and related equipment located on or under the Easements connecting the fuel storage facility at the Airport with the equipment delivering Fuel directly to jet aircraft parked on the Terminal’s aircraft parking apron.

**“Fuel System”** means the fuel storage and distribution facilities for the storage and distribution of Fuel at the Airport, including the Fuel Hydrant System, all as described in Exhibit D. Any revision to Exhibit D shall be approved by the Commissioner without any further City approvals.

**“Hazardous Materials”** means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum or crude oil or any fraction thereof, natural gas, source material, special nuclear material and byproduct materials regulated under the Atomic Energy Act (42 U.S.C. § 2011, *et seq.*), pesticides regulated under the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. § 136, *et seq.*), and any hazardous waste, toxic or dangerous substance or related material, including any material defined or treated as a “hazardous substance,” “hazardous waste,” “toxic substance” or contaminant (or comparable term) under any of the Environmental Laws.

**“Indemnified Parties”** has the meaning set forth in Section 7.01(A).

**“Interline Agreement”** means the agreement between the Members, including subsequent Members, the form of which shall be subject to the City’s written approval, governing certain arrangements between the Members with respect to the Fuel System which may be incorporated as an exhibit to the Members Agreement and not be a separate document.

**“Into-Plane Agent”** means any person, including Members, authorized by the City to provide into-plane fueling at the Airport for aircraft operators and which has entered into a System Access Agreement with the Members for access to the Fuel System.

**“Majority-in-Interest”** means, during any Fiscal Year, a numerical majority of the Members which collectively paid more than 50% of the Airline Fees and Charges charged to all Members for the prior Fiscal Year; provided, however, that for the purposes of amending this Agreement, or terminating this Agreement, a Majority-in-Interest shall consist of 67% of the Members which collectively paid 67% or more of the Airline Fees and Charges paid by all Members for the prior Fiscal Year.

**“MATCO Operations Areas”** means those areas designated on Exhibit B.

**“MATCO Project Accounts”** means, collectively, those project accounts into which the City shall deposit proceeds of the Bonds for the performance of Work by MATCO in accordance with Article IV, including the MATCO Equipment Account and the MATCO Fuel Account.

**“MATCO Equipment”** means the common-use airline equipment, systems and facilities for which the Work, as defined herein, will be performed by MATCO, as will the operation and maintenance, all pursuant to the terms and conditions of this Agreement; a list of MATCO Equipment is set forth in Exhibit C, as such exhibit may be amended from time to time pursuant to the terms of Articles XI and XII.

**“MATCO Operations Area”** means any area or space at the Airport where MATCO performs Work, operates and maintains MATCO Equipment, operates and maintains the Fuel

System, or performs any tasks, including administrative tasks, attendant thereto, and any area or space at the Airport containing MATCO Equipment or the Fuel System, all as set forth on Exhibit B, as such exhibit may be amended from time to time pursuant to Section 2.01(D).

**“Member”** means a member of MATCO pursuant to the terms of the Members Agreement, each of which is listed on Exhibit E, as such Exhibit E may be revised from time to time without need for an amendment hereto.

**“Members Agreement”** means that certain Midway Airlines Terminal Corporation Agreement.

**“Municipal Code”** means the Municipal Code of the City.

**“Premium Equipment Fee Rate”** means the Premium Equipment Fee Rate calculated in accordance with Section 5.03.

**“Premium Fuel Fee Rate”** means the Premium Fuel Fee Rate calculated in accordance with Section 5.03.

**“Project Procedures”** means those procedures and requirements set forth in Exhibit J to the Use Agreements, which are incorporated herein and made a part of this Agreement, made applicable hereto as if MATCO was an “Airline” thereunder and any Work performed by MATCO was an “Airline Project” thereunder.

**“Revenue Landing”** has the meaning set forth in the Use Agreements.

**“Sanders Pipeline”** means the pipeline connecting the Fuel System with the off-Airport fuel storage terminal in Argo, Illinois.

**“Special Wastes”** has the meaning set forth in Section 3.475 of the Illinois Environmental Protection Act (415 ILCS 5/3.475, defining “Special waste”).

**“Term”** has the meaning set forth in Article III.

**“Use Agreements”** means, collectively, the Airport Use Agreement and Facilities Leases for Chicago Midway International Airport between the City and the airline named in each such agreement, as such agreement may be amended or restated from time to time.

**“Work”** means the design, procurement, installation, start-up, testing and Operation and Maintenance of the MATCO Equipment and Fuel System and those other services as agreed to by the Commissioner and Members, pursuant to the terms and conditions of this Agreement.

### **Section 1.03 – Interpretation.**

A. The terms “hereby,” “herein,” “hereof,” “hereunder” and any similar term used in this Agreement refer to this Agreement.

B. Any capitalized term not defined herein shall have the meaning ascribed to such term in the Use Agreements.

C. The term "including" shall be construed to mean "including, without limitation."

D. All references in this Agreement to Articles, Sections or Exhibits, unless otherwise expressed or indicated, are to Articles, Sections or Exhibits of this Agreement.

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

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

G. Words importing the singular shall include the plural and vice versa. Words of the masculine gender shall be deemed to include the correlative words of the feminine and neuter genders.

**Section 1.04 - Incorporation of Exhibits.** The following Exhibits attached hereto are hereby made a part of this Agreement:

- Exhibit A. Easements
- Exhibit B. MATCO Operations Areas
- Exhibit C. MATCO Equipment
- Exhibit D. Fuel System
- Exhibit E. Members of MATCO
- Exhibit F. Required Provisions for Contracts for Work and Operations and Maintenance Services

## ARTICLE II

### GRANT OF RIGHTS

**Section 2.01 - Rights with Respect to MATCO Equipment and Fuel System.** Subject to the terms and provisions contained in this Agreement, all applicable rules, regulations, laws, ordinances, codes and orders of any federal, state or local government or subdivision thereof, in connection with the conduct of MATCO's activities at the Airport, MATCO is hereby granted the rights set forth below.

**A. Work.** The City hereby grants MATCO the right to perform Work with respect to the MATCO Equipment and Fuel System.

**B. Operations and Maintenance.** The City hereby grants MATCO the right to operate and maintain the MATCO Equipment and Fuel System and perform all tasks related thereto. The

City also grants MATCO the right to provide other services at the Airport (e.g., janitorial services and providing wheelchairs) as agreed to by the Commissioner and with Majority-In-Interest approval.

**C. Easements.** The City hereby grants MATCO such non-exclusive Easements as may be necessary to perform Work with respect to, and operate and maintain, the MATCO Equipment and Fuel System. The area of the Easements shall be as set forth in Exhibit C.

**D. Fuel System.** Upon completion of the installation of the Fuel System, MATCO and the Members shall each have the non-exclusive right to use the Fuel System for the receipt, distribution, storage, handling, purchase, sale and dispensing of Fuel for aircraft, vehicles and equipment operated by any user of the Fuel System. A Member may elect to use one or more Into-Plane Agents for the provision of into-plane fueling for such Member, which Into-Plane Agents shall be the agents, employees or contractors of such Member, and such Member agrees to assume full responsibility for such Into-Plane Agent's performance of all applicable obligations set forth in the System Access Agreement to which such Into-Plane Agents are parties.

**E. MATCO Administrative and Support Areas.** The Commissioner will designate an office and such other space as the Commissioner deems reasonably necessary for MATCO's use in performing Work and in operating and maintaining the MATCO Equipment. This space shall be as set forth in Exhibit B, as such exhibit may be revised from time to time at the sole discretion of the Commissioner without need for an amendment to this Agreement; provided, however, that the Commissioner shall provide MATCO with no less than sixty (60) days notice of any intended change to MATCO's Operations Areas.

**F. Airfield and Public Areas of the Airport.** MATCO has the right to use, in common with others, the public facilities at the Airport, including landing areas, runways, taxi strips, and other aeronautical or navigational facilities, subject to the rules and regulations with respect to the use of such facilities imposed by the City, the FAA or any other governmental agency.

**G. Ingress and Egress.** The City hereby grants MATCO the right and privilege of (i) ingress to and egress from the MATCO Operations Areas, Easement areas, and the public areas of the Airport, for its employees, agents, guests, patrons and invitees, suppliers of materials, furnishers of services, and its equipment, vehicles and machinery and (ii) to provide transportation of its employees to, from, and within the Airport. MATCO shall neither block or otherwise obstruct the common use taxiway or service roads at any time, nor in any other manner impair or adversely affect the use and operation of taxiways or service road areas by City or other Airport users.

**H. Additional Rights.** In addition to the above-described rights, and subject to the approval of the Commissioner, such approval not to be unreasonably withheld, MATCO shall have the right to perform and conduct such other activities and operations consistent with the rights, privileges and responsibilities granted to MATCO hereunder, provided that such activities and operations do not unreasonably interfere or conflict with the rights granted by the City to others at the Airport.



**I. Connection of Fuel System to Pipeline.** The City recognizes the benefits that will be obtained for the Airport and the surrounding community by utilizing an underground pipeline as the primary means of delivering Fuel the Fuel System. Accordingly, the City hereby authorizes MATCO to enter into an agreement with Sanders Petroleum for the connection of the Fuel System to the Sanders Pipeline for the purpose of delivering Fuel via the Sanders Pipeline directly to the Fuel System. Further, such agreement shall be assignable to the City upon an Event of Default hereunder, as defined in Section 10.01.

**Section 2.02 - Conditions to the Grant of Rights.** In addition to the terms and provisions contained in this Agreement, all applicable rules, regulations, laws, ordinances, codes and orders of any federal, state or local government or subdivision thereof, the grant of rights by the City to MATCO set forth in Section 2.01 is expressly subject to the conditions set forth below.

**A. Other Government Entities or Agencies.** MATCO's rights hereunder are subject to any and all easements, licenses and other rights with respect to the Airport granted to or vested in any other governmental entities or agencies, including the FAA.

**B. Utilities.** MATCO acknowledges that there currently exist, and that the City may grant in the future, easements and rights on, over and/or under MATCO's Operations Areas and Easement areas for the benefit of suppliers and/or owners of utilities that service the Airport, and MATCO hereby consents to any such easements whether now in existence or granted during the term of this Agreement.

**C. City's Right of Entry.** The City hereby reserves such rights as may be necessary to enter the MATCO Operations Areas, Easement areas, Fuel System areas or MATCO Equipment areas for the purpose of conducting any operations related to the function of the Airport, including the right to service any antennae or utilities, and to inspect and/or conduct testing on any part of the MATCO Equipment or Fuel System. City agrees to not unreasonably interfere with MATCO's Work, and/or operation and maintenance of the MATCO Equipment and Fuel System, when exercising its rights under this Section 2.02(C).

**D. Restrictions Regarding the Fuel System.** MATCO hereby agrees that the use and operation of the Fuel System by MATCO or a Member shall not unreasonably interfere with the operation of the Airport. MATCO hereby covenants and agrees that at all times during the term of this Agreement it and they will comply with all laws, regulations and ordinances applicable to their use of the Fuel System. MATCO and its own and their respective successors and assigns, agree that it and they shall not make use of the Fuel System in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event that this foregoing covenant is breached, the City may cause the abatement of such interference at the expense of the breaching party. MATCO shall cause its Members to agree in the Members Agreement to the terms set forth above in this Section 2.02(D).

**E. Restrictions on MATCO's Use of the Airport.** Nothing stated in this Agreement shall permit or be construed to permit MATCO to engage in any activity or operation other than (i) those activities and operations necessary for (1) the performance of Work and (2) the

operation and maintenance of the MATCO Equipment and the Fuel System and (ii) such other activities as may be permitted by prior written consent of the Commissioner, which may be given or withheld in the sole and absolute discretion of the Commissioner (*provided, however*, that in an emergency situation, the oral consent of the Commissioner will be sufficient) and approved by a Majority-in-Interest.

**F. Present Condition of the Airport.** By executing this Agreement, MATCO accepts the Airport "AS IS." MATCO shall be responsible for the compliance of its operations areas and the MATCO Equipment areas with all applicable Federal, State and local laws, statutes, codes, ordinance, rules, regulations and orders, including any and all requirements set forth in Section 8.08. Other than what may be explicitly provided for herein, the City shall have no obligation or responsibility whatsoever to perform any Work or furnish improvements of any kind to the MATCO Equipment or MATCO Operations Areas, or to perform any maintenance or repairs on the MATCO Equipment or MATCO Operations Areas. City makes no warranty to MATCO as to the environmental conditions on the Airport. City makes no warranty, either express or implied, as to the condition of the Airport or that the Airport shall be suitable for MATCO's purposes or needs. City shall not be responsible to MATCO for any latent defect in any structure, improvement, facility or equipment at the Airport. By its entry onto the Airport, MATCO accepts the MATCO Operations Areas as being free and clear from all defects and in good, safe, clean and orderly condition and repair. MATCO waives any and all claims against the City regarding the condition of the Airport which may currently exist or which may arise in the future, whether such claim arises under contract, at common law, in equity or under statute, now or then currently in effect, including those which relate to environmental conditions on, under or near MATCO's operations areas; *provided, however*, that such waiver does not extend to (i) MATCO's right to contribution from the City as may be provided under environmental law, and (ii) fines and penalties for which the City would be liable, and MATCO would not be liable, under any environmental law.

**G. City Does Not Warranty MATCO Equipment and Fuel System.** MATCO acknowledges and agrees that the City's grant of rights to MATCO with respect to the MATCO Equipment and the Fuel System is "AS-IS" without any representation or warranty either express or implied by City as to:

1. the fitness for any particular purpose or merchantability of any item or items of the MATCO Equipment and Fuel System;
2. City's title;
3. MATCO's right to the quiet enjoyment of the MATCO Equipment and Fuel System, except as otherwise provided herein; or
4. the design or condition of, or the quality of the material, equipment or workmanship in the MATCO Equipment and Fuel System.

**H. Access to and Use of MATCO Equipment by Non-Members.**

1. MATCO shall operate the MATCO Equipment and Fuel System so that both Members and non-Members shall have full and complete access to and use of the MATCO Equipment and access to Fuel distributed from the Fuel System, directly or indirectly through Into-Plane Agents. No item of MATCO Equipment and no component of the Fuel System shall be located in the Leased Premises of or be otherwise devoted to use by any single Member.

2. MATCO may, by Majority-in-Interest approval, and subject to review and approval of the City, establish reasonable rules and regulations regarding access to and use of the MATCO Equipment and the Fuel System by non-Members, including rules and regulations providing that non-Member airlines' access to and use of the MATCO Equipment and Fuel System be provided through ground handling arrangements that have been approved by MATCO, such approval not to be unreasonably withheld or denied. MATCO may further require in such rules and regulations that, as a condition to access to and use of the MATCO Equipment and the Fuel System, a non-Member must execute an agreement with MATCO, the form and substance of which shall be subject to the review and approval of the City.

**I. City Approval of Members Agreement.** The City has the right to review and approve the Members Agreement and all amendments thereto, such approval not to be unreasonably withheld or denied.

**J. Membership in MATCO.** An airline is entitled to become a member of MATCO by entering into a Use Agreement with the City and a Members Agreement with MATCO. MATCO may establish reasonable rules and regulations regarding admission of airlines as members of MATCO, including the purchase of memberships, which rules and regulations shall be subject to the review and approval of the City. MATCO agrees that so long as an airline has a Use Agreement, in no event shall the approval of the Members be required for such airline to become a Member. MATCO shall notify the City of all new Members, and Exhibit E shall thereafter be amended to include such new Members without any further action by the City or MATCO.

**K. MATCO to Maintain Corporate Existence.** MATCO warrants that it is, and shall be throughout the Term of this Agreement, qualified to do business in the State of Illinois. MATCO shall maintain its corporate existence, shall not assign or otherwise transfer all or substantially all of its assets, and shall not consolidate or merge with another corporation or permit one or more other corporations to consolidate or merge into it, unless the surviving, resulting or transferee corporation, as the case may be, (i) expressly assumes in writing all of the obligations of MATCO hereunder, and (ii) if such corporation is not organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia, delivers to the City an irrevocable consent to service of process and jurisdiction.

**L. Inconsistent Provisions.** MATCO shall not amend its articles of incorporation or by-laws in any manner that would cause such articles of incorporation or by-laws to be inconsistent with the terms and provisions of this Agreement. MATCO shall promptly provide copies of any such amendments to the City.

**M. Covenant Against Waste.** MATCO will not do or permit or suffer any waste, damage, impairment or injury to or upon the Airport or any part thereof.

### ARTICLE III

#### TERM

The term of this Agreement shall commence on January 1, 2013 and expire on December 31, 2027 (the "**Term**"), unless terminated earlier pursuant to the terms of Article IX.

### ARTICLE IV

#### MATCO EQUIPMENT AND FUEL SYSTEM

**Section 4.01 - Performance of Work.** MATCO shall perform Work, or cause Work to be performed, on the MATCO Equipment and the Fuel System. Such Work shall comply in all respects with all federal, state and local laws, statutes, ordinances, regulations, rules and executive orders. All Work is subject to the review, inspection, testing and approval of the City. MATCO shall coordinate the performance of the Work with the Commissioner's designate

#### **Section 4.02 - Financing of Work.**

**A.** Work that is to be performed on the MATCO Equipment and Fuel System and considered to be capital in nature may be financed in whole or in part with Midway Airport Revenue Bonds (the "**Bonds**") in accordance with the Project Procedures. The City will deposit the proceeds of the issuance of the Bonds into the MATCO Project Accounts.

**B.** The City will provide notice to MATCO of the amount deposited in the MATCO Project Accounts when such funds are deposited. The City neither represents nor warrants, explicitly or implicitly, that the funds deposited in the MATCO Project Accounts as set forth in Section 4.02(A) will be sufficient for performing Work with respect to the MATCO Equipment and Fuel System. Other than expressly provided for herein, the City is not in any manner obligated to pay any costs incurred for performing Work with respect to the MATCO Equipment and Fuel System.

**C.** The funds in the MATCO Project Accounts will be made available to MATCO to pay the cost of the Work with respect to the MATCO Equipment and Fuel System. In the event that the funds in the MATCO Project Accounts are insufficient to pay the cost of such Work, MATCO shall nevertheless be obligated to complete the Work with respect to the MATCO Equipment and Fuel System, and to pay all costs in connection therewith. In such event, the City and MATCO agree as follows:

1. The preferred source of funding for costs in excess of the MATCO Project Account is the proceeds of Bonds issued by the City pursuant to Section 10.02 of the Use Agreements.

2. In the event that Bonds are not issued for such purpose, the City and MATCO will review the scope of Work for the MATCO Equipment and Fuel System and reduce such scope in order to reduce the need for additional funding. In no event shall such reduction in scope substantially change the utility of the MATCO Equipment.

3. If Bonds are not issued for such purpose and the City and MATCO are unable to agree on scope reductions within a reasonable time of commencing discussions with respect to such reductions, the City and MATCO will consider alternative sources of financing, including a bank loan.

4. If Bonds are not issued for such purpose and the City and MATCO have neither agreed to scope reductions nor alternative means of financing, then MATCO shall exercise its right under Section 11.06 of the Members Agreement to require each Member to contribute its pro rata share of such additional funding as may be required to pay for costs in excess of the funds in the MATCO Project Account.

**D.** Any and all equipment paid for pursuant to this Section 4.02 is MATCO Equipment and subject to all terms and conditions hereunder. Any Work on the Fuel System paid for pursuant to this Section 4.02 shall be and become part of the Fuel System and subject to all terms and conditions hereunder.

**E.** The Debt Service with respect to any and all Bonds issued to fund the cost of the Work on the MATCO Equipment and the Fuel System shall be an expense of the Equipment Cost Center and Fueling Cost Center, respectively, as set forth in the Use Agreements and shall be paid as set forth in the Use Agreements and herein.

**Section 4.03 - Ownership of the MATCO Equipment and Fuel System.** All MATCO Equipment, as listed in Exhibit C, and the Fuel System, as listed on Exhibit D, as such exhibits may be amended from time to time, are and shall remain the property of the City. MATCO hereby acknowledges that neither MATCO nor any user of the MATCO Equipment or Fuel System will own or have title to the MATCO Equipment or the Fuel System, and agrees that it will not treat itself or authorize any other User to treat itself as the owner of any MATCO Equipment or the Fuel System.

**Section 4.04 - Contracting for Work.** MATCO may contract for the performance of Work on the MATCO Equipment and the Fuel System. The City has the right, but not the obligation, to review and approve the form of MATCO's contract for the performance of such Work. MATCO shall furnish its proposed form of contract for Work to the City for City review and approval prior to the advertisement for bids of any Work. MATCO hereby expressly acknowledges and agrees that in the performance of Work, MATCO is bound by all terms and conditions set forth herein, including those federal, state and local laws, statutes, ordinances, regulations, rules and executive orders pertaining to procurement referenced in this Agreement, including all exhibits hereto. MATCO shall not contract for Work or services of any nature with any person or entity barred from contracting with the City pursuant to any law, ordinance, rule or regulation. City reserves the right to disapprove any such contract. MATCO shall include the provisions set forth in

Exhibit F in all contracts for Work. MATCO's contracts for Work shall not include any terms or provisions which in any way conflict with, negate or void the contract provisions set forth in Exhibit F. Subject to the review and approval of the City and its Corporation Counsel, MATCO may modify the contract provisions in Exhibit F to conform to the nature of the Work to be performed by MATCO and/or its Contractors.

All such contracts for Work shall contain provisions making them assignable to the City. Upon the occurrence of an Event of Default under this Agreement, or pursuant to Section 5 of Exhibit F, the City shall have the right to require that MATCO complete the assignment to City of any and all contracts. Such assignment shall be in writing and acceptable in form and substance to the Commissioner. All such contracts shall also contain terms providing that in the event that such contract is assigned to the City, the Contractor shall be deemed to have waived any and all claims, suits or causes of action arising out of or relating to the performance of such contract prior to the effective date of such assignment unless the Contractor notifies the City in writing of such claim, suit or cause of action prior to the effective date of such assignment. The City shall not be responsible or liable for any claims relating to such contracts arising from or related to any fraud, misrepresentation, negligence or willful or intentionally tortious conduct by MATCO, its officials, employees, agents, Members or Contractors.

#### **Section 4.05 - Operation and Maintenance of the MATCO Equipment and Fuel System.**

**A. MATCO's Obligations.** MATCO shall at all times be responsible for, and shall perform or cause to be performed, the operation, maintenance and repair of the MATCO Operations Areas, the Fuel System and the MATCO Equipment. MATCO shall, at all times:

1. keep all fixtures, equipment and personal property in clean and orderly condition and appearance;
2. maintain all fixtures, equipment and personal property in good condition, reasonable wear and tear excepted;
3. perform all repairs, replacements and painting for the MATCO Equipment and Fuel System in full compliance with any and all standards established by the City for such repairs, replacement and painting at the Airport; and
4. repair, replace and maintain the MATCO Equipment and Fuel System as is necessary to assure that at the conclusion of the Term the fair market value of such equipment and its remaining useful life will, under current tax law, be consistent with, and sufficient to establish ownership of such equipment by the City.

**B. Standard of Care.** MATCO shall operate and maintain the MATCO Equipment in accordance with reasonably prudent engineering and safety standards in the public transportation industry and in accordance with all applicable federal, state and local laws, statutes, ordinances, regulations and executive orders.

**C. MATCO Vehicular Traffic.** MATCO shall at all times control all of its vehicular traffic in the Airport, taking all precautions reasonably necessary to preserve the safety of passengers, customers, business visitors and other persons at the Airport, and employing such means as may be necessary to direct movement of its vehicular traffic.

**D. Title to Replacement Parts, Components and Equipment.** Title to any replacement parts, components or items of the MATCO Equipment or Fuel System shall immediately vest in City without further action by any party. Title to any parts, components or items of the MATCO Equipment and the Fuel System removed by MATCO and not replaced shall be retained by City.

**E. Non-Interference with Airport Operations.** The Work and the operations of MATCO and its officials, agents, employees, Contractors, guests, patrons, and invitees on the Airport shall be conducted in an orderly and proper manner and shall not otherwise annoy, disturb, or be offensive to others at the Airport. In the event that MATCO is not in compliance with this Section, at the written request of the Commissioner, MATCO shall immediately conform the demeanor or conduct of MATCO or its officials, agents, employees, contractors, guests, patrons, and invitees to the standard set forth in this Section.

**F. Access by City.** Upon the giving of reasonable notice, which may in certain circumstances determined at the City's sole discretion be only by oral notice, MATCO shall allow City, its officers, agents or employees, free access to the MATCO Operations Areas, the Fuel System and the MATCO Equipment for the purposes of inspection to ascertain if MATCO is performing its obligations under this Agreement, and for conducting such other activities deemed reasonably necessary by the City.

**G. City's Right to Perform MATCO Functions.** In the event that MATCO fails to perform any of its obligations under this Article IV within thirty (30) days of its receipt of notice from the City to so perform, the City may perform such obligations without such performance causing or constituting a termination of this Agreement or an interference with any of MATCO's rights under this Agreement. The City may do all things necessary to perform such obligation and charge the cost and expense of such performance as an O&M Expense of the Equipment and Fueling Cost Center in the calculation of Airline Fees and Charges under the Use Agreements. If, in the sole determination of the Commissioner, any failure of MATCO to perform its obligations under this Article IV endangers the health and safety of the public or employees of the City, the City may perform any such obligation after providing oral notice to MATCO and may charge its costs for such performance as an O&M Expense of the Equipment and Fueling Cost Center under the Use Agreements.

**H. City's Right to Use MATCO Equipment.** The City retains the right, as owner of the MATCO Equipment and Fuel System, to use the MATCO Equipment and Fuel System in accordance with such rules and regulations as MATCO may adopt, subject to the City's review and approval, for users of the MATCO Equipment and Fuel System. The City may replace the MATCO Equipment and the Fuel System, or any portion thereof, with equipment similar in

function and condition to the equipment to be replaced, provided that such replacement does not materially adversely affect the operations of MATCO.

**Section 4.06 - Payment for the Operation and Maintenance of the MATCO Equipment and Fuel System.** The costs to MATCO of operating and maintaining the MATCO Equipment and the Fuel System shall, together with such other costs as may be set forth in the Use Agreements, constitute O&M Expenses of the Equipment Cost Center or the Fueling Cost Center, as the case may be.

**A. Annual Budget Review Process.** MATCO shall submit, not later than 180 days prior to the end of each Fiscal Year, to the City a preliminary estimate of the O&M Expenses of the Equipment Cost Center and Fueling Cost Center. MATCO shall submit, not later than 60 days prior to the end of each Fiscal Year, to the City a final estimate of the O&M Expenses of Equipment Cost Center and Fueling Cost Center.

**B. Monthly Reporting and Payment Procedures.**

1. *MATCO.* Each month, MATCO will submit an invoice to the City containing an estimate of operating and maintenance costs for the upcoming month. The City shall, in a timely manner, submit payment to MATCO, which will then be responsible for paying its vendors directly. MATCO will also submit the previous month's actual costs to the City for reconciliation and allocation to the appropriate cost center.

2. *Fuel System Operator.* The Fuel System Operator shall prepare airlines' monthly invoices based on an estimate of projected activity at the current fueling rate with a reconciliation of the previous month's actual activity. Airlines remit payment directly to the Fuel System Operator, who then issues a check for the fuel flowage fees to the City along with all invoices and remittance and fueling information.

Each invoice shall be acceptable in form and substance to the Commissioner and shall set forth an allocation of the cost of the invoice between the Equipment Cost Center or the Fueling Cost Center. The City shall disburse sufficient funds from the O&M Fund created under the Use Agreements to pay invoices submitted by MATCO. The City shall make payment directly to MATCO. The City shall have no obligation or liability to MATCO under this Section 4.06 other than to make payment pursuant to an accepted MATCO invoice. The City shall have no obligation or liability under this Section 4.06 to any third party whatsoever. Payment of MATCO invoices will be made within thirty (30) days of the Commissioner's acceptance of an invoice. The Commissioner may withhold processing of any invoice which, in his or her reasonable opinion, is not submitted with adequate supporting documentation for the charges and costs set forth on such invoice. The Commissioner shall provide reasonable notice of any inadequacies in the supporting documentation.

**Section 4.07 - Additional Equipment and Modifications and Improvements to the Fuel System.** In addition to the MATCO Equipment identified on Exhibit C, MATCO, by Majority-in-Interest approval, or any Member may from time to time, at its own expense, install additional



equipment, facilities and improvements, or modify, replace or expand existing equipment, facilities, and improvements, including the Fuel System, at the Airport. Any such installation, modification, replacement or expansion is subject to the review and approval of the City. No such installation, modification, replacement or expansion shall occur if such installation, modification, replacement or expansion would in any way (1) materially and permanently impair the utility or value of the MATCO Equipment or Fuel System, or (2) interfere with the operation of the Airport or (3) interfere with the use of the MATCO Equipment or Fuel System by the City or any other user of the Airport.

Pursuant to Article 10 of the Use Agreements, the City may, upon the request of a Majority-in-Interest of the Signatory Airlines, agree to finance, in whole or in part, any such additional equipment, facilities, improvements, modifications, replacements or expansions of the existing equipment, facilities and improvements through the issuance of Midway Airport Revenue Bonds. Notwithstanding any such request, the City shall not be obligated to issue Midway Airport Revenue Bonds. Any equipment, facilities and improvements financed by Midway Airport Revenue Bonds shall be deemed to be MATCO Equipment or the Fuel System, as appropriate. Further, any equipment, facilities or improvements which are not removable without causing material damage to the MATCO Equipment or Fuel System or any portion of the Airport that is not leased to an airline or other user of the Airport shall also be deemed to be MATCO Equipment or the Fuel System, as appropriate.

## ARTICLE V

### CALCULATION OF EQUIPMENT AND FUELING FEES

#### Section 5.01 - Equipment and Fueling Fees.

**A. Per Capita Fee.** Throughout the Term, equipment and fueling fees shall be charged to Members and non-Members, which, notwithstanding the provisions of Section 8.10 of the Use Agreements, shall be calculated as set forth in this Article V. Each Fiscal Year, Members shall pay a per capita fee (the “**Equipment Cost Center Per Capita Fee**”), which amount shall be equal to twenty percent (20%) of the Equipment Cost Center requirement for such Fiscal Year, as determined pursuant to the Use Agreements, divided equally among the Members. In addition, Fuel Members shall pay a per capita fee (the “**Fueling Cost Center Per Capita Fee**”), which amount shall be equal to ten percent (10%) of the Fueling Cost Center requirement for such Fiscal Year, as determined pursuant to the Use Agreements, divided equally among the Fuel Members.

**B. Usage Fees.** Each Member shall pay an Equipment Fee for each Fiscal Year, which amount shall be the product of (i) the number of thousands of pounds of the Maximum Approved Gross Landing Weight of such Member’s aircraft involved in Revenue Landings for such Fiscal Year and (ii) the Base Equipment Fee Rate (as calculated below). Each Member shall pay a Fuel Fee for each Fiscal Year, which amount shall be the product of (i) the number of gallons of Fuel distributed by or on behalf of the Member from the Fuel System and (ii) the Base Fuel Fee Rate (as calculated below). Each non-Member shall pay an Equipment Fee for each Fiscal Year which amount shall be the product of (i) the number of thousands of pounds of the Maximum Approved

Gross Landing Weight of such non-Member's aircraft involved in Revenue Landings for such Fiscal Year and (ii) the Premium Equipment Fee Rate (as calculated below). Each non-Fuel Member shall pay a Fuel Fee for each Fiscal Year which amount shall be the product of (i) the number of gallons of Fuel distributed by or on behalf of the non-Member from the Fuel System for such Fiscal Year and (ii) the Premium Fuel Fee Rate (as calculated below).

#### **Section 5.02 - Base Rates.**

**A. Base Equipment Fee Rate.** The Base Equipment Fee Rate for each Fiscal Year, which rate shall be payable by Members only, shall be calculated as eighty percent (80%) of the Equipment Cost Center requirement for such Fiscal Year, as determined pursuant to the Use Agreements, divided by the sum of (i) the Maximum Approved Gross Landing Weight in thousand-pound units of all aircraft of all Members landed in Revenue Landings during such Fiscal Year and (ii) one hundred fifty percent (150%) of the Maximum Approved Gross Landing Weight in thousand pound units of all aircraft of all non-Members landed in Revenue Landings during such Fiscal Year.

**B. Base Fuel Fee Rate.** The Base Fuel Fee Rate for each Fiscal Year, which rate shall be payable by Members only, shall be calculated as ninety percent (90%) of the Fuel Cost Center requirement for such Fiscal Year, as determined pursuant to the Use Agreements, divided by the sum of (i) the total gallons of Fuel distributed by or on behalf of all Members from the Fuel System during such Fiscal Year and (ii) one hundred twenty-five percent (125%) of the gallons of Fuel distributed by or on behalf of all non-Members from the Fuel System during such Fiscal Year.

#### **Section 5.03 - Premium Rates.**

**A. Premium Equipment Fee Rate.** The Premium Equipment Fee Rate for each Fiscal Year, which rate shall be payable by non-Members only, shall be calculated as one hundred fifty (150%) of the Base Equipment Fee Rate plus one hundred fifty percent (150%) of the Equivalent Equipment Cost Center Per Capita Fee Rate determined by dividing (i) the Equipment Cost Center Per Capita Fee for the Member with the lowest Maximum Approved Gross Landing Weight by (ii) its Maximum Approved Landing Weight.

**B. Premium Fuel Fee Rate.** The Premium Fuel Fee Rate for each Fiscal Year, which rate shall be payable by non-Fuel Members only, shall be calculated as one hundred twenty-five percent (125%) of the Base Fuel Fee Rate plus one hundred twenty-five percent (125%) of the Equivalent Fueling Cost Center Per Capita Fee Rate determined by dividing: (i) the Fueling Cost Center Per Capita Fee for the Member with the lowest number of gallons of fuel distributed or on behalf of such member, by (ii) its number of gallons.

**Section 5.04 - Effectiveness of this Article V.** The provisions of this Article V shall be in full force and effect, and the City shall charge Equipment and Fueling Fees pursuant to this Article V, so long as this Agreement is in full force and effect.

**Section 5.05 - Payment of Equipment and Fueling Fees.** Members shall pay Equipment Fees and Fueling Fees pursuant to Section 9.02(c) of the Use Agreements. Non-Members shall pay Equipment Fees and Fueling Fees pursuant to the MATCO Terminal Access Agreement and MATCO System Agreement.

## ARTICLE VI

### RECORD-KEEPING AND REPORTING

#### Section 6.01 - MATCO's Records.

**A. Ownership of Documents.** All documents and data, including studies, reports, drawings, models, specifications, estimates, maps, calculations and instruments of service (collectively, Documents) prepared under or in connection with this Agreement are the property of the City. MATCO is responsible for any loss or damage to Documents while such Documents are in MATCO's possession or the possession of its Contractors. MATCO is wholly responsible for the cost of restoration of such lost or damaged Documents. MATCO shall deliver all Documents to the City upon the City's reasonable demand. If MATCO fails to deliver such Documents to the City, MATCO shall pay to the City any damages the City may incur due to such failure.

**B. Confidentiality.** All Documents and all reports, information or data provided to MATCO under this Agreement are confidential. MATCO agrees, and shall cause its officers, officials, employees and Contractors to agree, that except as specifically authorized herein, MATCO shall not make available such reports, information or data to any individual or organization other than the City without the prior written approval of the Commissioner. In the event that MATCO is served with a request for Documents by a government agency or with a *subpoena duces tecum* regarding any Documents or any reports, information or data which may be in MATCO's possession by reason of this Agreement, MATCO will immediately provide notice to the Commissioner and the City's Corporation Counsel such that the City will have the opportunity to contest such process by any means available to it before such Documents, reports, information or data are submitted to a court or other third party; provided, however, that MATCO will not withhold delivery beyond the time ordered by a court or government agency unless the *subpoena* or request is quashed, or the deadline for such delivery is otherwise extended.

**C. Records of the Work.** MATCO shall furnish to the Commissioner such information as may be requested pertaining to the progress, execution and cost of Work. MATCO shall maintain, or cause to be maintained, records showing actual time expended and cost incurred in the performance of Work. All such books, records and accounts shall be maintained according to generally accepted accounting principles. All books, records and accounts in any way pertaining to the Work shall be open to the City, including any representatives designated and authorized by the City to inspect, audit, duplicate or otherwise review such books, records and accounts. MATCO shall maintain all such books, records and accounts in a safe location, make them available to the City upon request, and retain all such books, records and accounts for inspection,

audit, duplication or other related use by the City for at least five (5) years after completion of the Work.

**D. Records of the Operation and Maintenance of the MATCO Equipment and Fuel System.** MATCO shall furnish to the Commissioner such information as may be requested pertaining to the operation and maintenance of the MATCO Equipment and Fuel System. MATCO shall maintain, or cause to be maintained, records showing actual time expended and cost incurred in such operation and maintenance of the MATCO Equipment and Fuel System. MATCO shall maintain, or cause to be maintained, records showing actual gallons of Fuel distributed to and from the Fuel System for each party that provides Fuel to or takes Fuel from the Fuel System. All such books, records and accounts shall be maintained according to generally accepted accounting principles. All books, records and accounts in any way pertaining to the operation and maintenance of the MATCO Equipment and Fuel System shall be open to the City, including any representatives designated and authorized by the City to inspect, audit, duplicate or otherwise review such books, records and accounts. MATCO shall maintain all such books, records and accounts in a safe location, make them available to the City upon request, and retain all such books, records and accounts for inspection, audit, duplication or other related use by the City for at least five (5) years.

**Section 6.02 - MATCO Reports.** On or before July 31st of each calendar year during the Term, MATCO shall provide the Commissioner with a report of its operations and maintenance of the MATCO Equipment and Fuel System for the prior calendar year. All such reports shall be acceptable in form and substance to the Commissioner.

## - ARTICLE VII

### INDEMNITY AND INSURANCE

#### **Section 7.01 - Indemnity.**

**A. Indemnity.** MATCO agrees to protect, defend, indemnify, keep, save and hold the City of Chicago, its officers, officials, employees and agents (collectively "**Indemnified Parties**") free and harmless from and against any and all liabilities, losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind, nature and character arising out of or relating to any and all claims, liens, demands, obligations, actions, suits, judgments or settlements, proceedings or causes of action of every kind, nature and character (collectively "**Claims**") in connection with or arising directly or indirectly out of the performance or failure to perform hereunder by MATCO, its officials, agents, employees, and subcontractors, including the enforcement of this indemnification provision, except for Claims shown by final judgment to have been caused by or attributable to the Indemnified Parties' negligence, in which event the Indemnified Parties shall contribute to the payment of damages decreed by judgment, and the actual costs of defense borne by MATCO not otherwise covered by insurance, to the extent the Indemnified Parties are found liable by such judgment. Without limiting the foregoing, any and all such Claims relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copyright or of any

other tangible or intangible personal property right, actual or alleged employment discrimination or wrongful discharge, or any actual or alleged violation of any applicable statute, ordinance, order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. The foregoing indemnity provision excludes the negligence of the Indemnified Parties to the extent prohibited by 740 ILCS 35/1 *et seq.* (Construction Contract for Indemnification Act) and/or 740 ILCS 150/0.01 *et seq.* (Structural Work Act), respectively. MATCO further agrees to investigate, handle, respond to, provide defense for and defend all suits for any and all Claims, at its sole expense and agrees to bear all other costs and expenses related thereto, even if the Claims are considered groundless, false or fraudulent.

The Indemnified Parties shall have the right, at their respective options and cost, to participate in the defense of any suit, without relieving MATCO of any of its obligations under this indemnity provision, provided that the Indemnified Parties and their respective attorneys shall coordinate and cooperate with MATCO's attorneys. MATCO further expressly understands and agrees that the requirements set forth in this indemnity to protect, defend, indemnify, keep, save and hold the Indemnified Parties free and harmless are separate from and not limited by MATCO's responsibility to obtain insurance pursuant to other Sections in this Agreement. Further, the indemnities contained in this Section shall survive the expiration or termination of this Agreement.

#### **B. Release of City.**

1. The City shall not be liable to MATCO, or to MATCO's agents, representatives, contractors, subcontractors, or employees, for any injury to, or death of, any of them or of any other person, or for any damage to any of MATCO's property, or loss of revenue caused by any third person in the maintenance, construction, or operation of facilities at the Airport, or caused by City or any third person using the Airport or navigating any aircraft on or over the Airport, except where there has been a final determination by a court of competent jurisdiction that any injury, death, or damage is due to the negligence or willful misconduct of City, and only to the extent MATCO or any of the above described parties is not covered by insurance.

2. The City shall not be liable to MATCO for damage to property of MATCO or any loss of revenues to MATCO resulting from City's acts or omissions in the maintenance and operation of the Airport, except where there has been a final determination by a court of competent jurisdiction that such damage or loss has been caused by the negligence or willful misconduct of City, and then only to the extent MATCO is not reimbursed by insurance.

3. Notwithstanding any reference herein to MATCO's release and indemnification being ineffective in certain instances where City or its agents, employees or representatives have been negligent, nothing herein shall be construed to make City liable in any case or instance where City would otherwise be immune from any tort liability because of its being a municipal corporation.

**C. Non-Liability of Public Officials.** No official, employee, or agent of City shall be charged personally by MATCO, or by any assignee or contractor of MATCO, with any liability or expenses of defense, or be held personally liable to them under any term or provision of this Agreement, or because of City's execution or attempted execution hereof, or because of any breach hereof.

**D. City Approvals Do Not Limit MATCO's Obligations.** Nothing herein is intended nor shall it be construed to provide any limitation upon MATCO's obligation to comply with the terms and conditions of this Agreement. No City review or approval of any act of MATCO or document provided by MATCO, including plans and specifications, shall in any way serve to attenuate, diminish or otherwise limit MATCO's obligations hereunder, nor shall any such review or approval constitute a waiver by the City of any non-compliance with the terms and conditions of this Agreement.

**E. Survival Beyond Termination of this Agreement.** MATCO's obligations under Section 8.08 and this Article VII shall survive the termination of this Agreement.

**Section 7.02 - Required Insurance Coverage.** MATCO shall provide and maintain at all times, at MATCO's own expense during the term of the Agreement and during any period subsequent to the expiration of the Term if MATCO is required to return to perform Work or perform any activities to comply with any Environmental Law, the type of insurance specified below, with insurance companies authorized to do business in the State of Illinois, covering all operations under this Agreement, whether performed by MATCO, its contractors or subcontractors. The kinds and amounts of insurance required are as follows:

**A. Commercial Liability Insurance (Primary and Umbrella).** Commercial Liability Insurance or equivalent coverage with limits of not less than \$50,000,000 per occurrence, for pollution, bodily injury, property damage liability, and personal injury. Coverages shall include the following: all premises and operations, products/completed operations, explosion, collapse, underground, pollution, independent contractors, broad form property damage, separation of insureds, defense and contractual liability coverages (with no limitation endorsement). City shall each be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from MATCO's performance under this Agreement.

**B. Automobile Liability Insurance.** When any motor vehicles are used in connection with work to be performed by or on behalf of MATCO, MATCO shall provide Automobile Liability Insurance with limits of not less than \$5,000,000, per occurrence, for bodily injury and property damage.

**C. All Risk Builders Risk Insurance.** When MATCO undertakes any work at the Airport, including improvements, betterments, or repairs, MATCO shall provide All Risk Builder's Risk Insurance, at replacement cost, for the materials, supplies, equipment, machinery, and fixtures that are or will be part of the permanent facilities. Coverages shall include but not be limited to the following: right to partial occupancy, material stored off-site and in-transit, boiler and machinery, earth movement, flood (including surface water back-up), collapse, water damage,

faulty workmanship or materials, testing and mechanical-electrical breakdown. The City shall be named as an additional insured and loss payee.

**D. All Risk Property Insurance.** MATCO shall maintain All Risk Commercial Property Insurance, including improvements and betterments covering damage to buildings, machinery, equipment, supplies or other contents in the amount of full replacement value of the property. Coverage extensions shall include boiler and machinery, collapse, sprinkler leakage, and flood. The City shall be named as an additional insured and loss payee.

**E. Professional Liability.** When any architects, engineers, or consulting firms perform work or services in connection with this Agreement, Professional Liability Insurance covering acts, errors and omissions shall be maintained with limits of \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work under the contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

### **Section 7.03 - Additional Obligations of MATCO Regarding Insurance.**

**A.** MATCO will furnish the Commissioner with original Certificates of Insurance evidencing the coverage required to be in force on the date of this Agreement, and renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. MATCO shall submit evidence of insurance on the City insurance certificate of coverage form prior to the execution of the Agreement by the City. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of this Agreement. The failure of the City to obtain certificates or other evidence of insurance from MATCO shall not be deemed to be a waiver by the City. MATCO shall advise all of its insurers of the provisions of this Agreement pertaining to insurance. Non-conforming insurance shall not relieve MATCO of its obligation to provide the insurance specified herein. Nonfulfillment of the insurance conditions may constitute a material breach of the Agreement, and the City retains the right to suspend the Agreement until proper evidence of insurance is provided, or terminate the Agreement.

**B.** All insurance policies shall provide for sixty (60) days' written notice to the City prior to the effective date of any change, cancellation, or termination of such coverage.

**C.** Any and all deductibles or self-insured retentions on referenced insurance coverages shall be borne by MATCO.

**D.** MATCO shall require all contractors to carry the insurance required herein, or MATCO may provide the coverage for any or all contractors or subcontractors, and, if so, the evidence of insurance submitted shall so stipulate.

**E.** MATCO expressly understands and agrees that any insurance coverages and limits furnished by MATCO shall in no way limit MATCO's liabilities and responsibilities specified within the Agreement, in equity, or at law.

F. MATCO hereby waives, and shall cause each of its contractors to waive, its rights of subrogation against the City, including the City's appointed and elected officials, agents, and employees. Inasmuch as this waiver will preclude the assignment of any claim by subrogation to an insurance company, MATCO agrees to do the following and cause each contractor and subcontractor to do the following: to give to each insurance company which has issued, or in the future may issue, to it policies of physical damage insurance, written notice of the terms of this waiver, and to have said insurance policies properly endorsed, to prevent the invalidation of said insurance coverage by reason of said waiver.

G. MATCO expressly understands and agrees that any insurance maintained by the City shall apply in excess of and not contribute with insurance provided by MATCO under this Agreement.

H. MATCO shall not do or permit to be done anything, either by act or failure to act, which shall cause cancellation of any policy of insurance required hereunder or any policy maintained by the City.

I. The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation imposed by law upon any indemnification provided herein.

J. The City maintains the right to modify, delete, alter or change the requirements set forth under Section 7.02 above and this Section 7.03.

#### **Section 7.04 - Use of Insurance Proceeds.**

A. If the MATCO Equipment or the Fuel System, or any portion thereof, is damaged or destroyed by fire or other casualty, the City shall deposit the proceeds of insurance actually received with respect to such damage in a construction fund, and MATCO shall, to the extent of such proceeds, and subject to such terms and conditions of Exhibit F and such other reasonable terms and conditions that may be imposed by the City, promptly repair, reconstruct and restore the damaged or destroyed MATCO Equipment and MATCO Fuel System to (1) substantially the same condition, utility and value as existed prior to such damage or destruction or (2) such other condition, character, utility and value as the City and MATCO may agree upon.

B. If the proceeds of insurance received by the City are insufficient to restore or replace the MATCO Equipment or the Fuel System as required by Section 7.04(A), the City, so long as it may have the right and authority to issue Bonds, may, but shall not be obligated to, issue Bonds, pursuant to Article 10 of the Use Agreements, to cover costs resulting from the insufficiency of insurance proceeds. MATCO shall use the proceeds of such Bonds solely to restore or replace the MATCO Equipment or Fuel System.

C. If the proceeds of insurance are in excess of the amount necessary to restore or replace the MATCO Equipment or Fuel System as required by Section 7.04(A), the excess amount shall be treated as Non-Airline Revenues allocable to the Equipment and Fueling Cost Center.



## ARTICLE VIII

### ADDITIONAL OBLIGATIONS OF MATCO

**Section 8.01 - Taxes.** MATCO shall pay such taxes or special assessments, if any, which may be levied or assessed upon MATCO's interest in the MATCO Operations Areas at the Airport. MATCO shall provide the Commissioner with copies of all notices relating to such taxes within thirty (30) days of request and shall provide the Commissioner with a receipt indicating payment of such taxes. Nothing herein shall preclude MATCO from contesting such charge or tax, including those taxes or charges enacted or promulgated by the City.

**Section 8.02 - Utilities.** MATCO shall not be responsible for payment of any utility costs for its operations, including electricity and water services. These costs shall be paid for through the airlines' rates and charges.

**Section 8.03 - Permits, Licenses.** MATCO shall be responsible for obtaining, at its own expense, all necessary governmental approvals, inspections, permits, or licenses needed in connection with the MATCO's operations and the MATCO Operations Areas, including any business conducted thereon, or any Work performed thereon.

**Section 8.04 - Compliance with All Laws.** MATCO shall comply with all applicable Federal, State, and local laws, codes, regulations, ordinances, rules, and orders; *provided, however,* that MATCO may, without being considered to be in breach hereof, contest any such laws so long as such contest is diligently commenced and prosecuted by MATCO and does not jeopardize the health or safety of persons at the Airport or Airport operations.

**Section 8.05 - Compliance with City/State Requirements.** MATCO agrees to execute such certificates as may be necessary to comply with all applicable Federal, State, and local laws, codes, regulations, ordinances, executive orders, rules, and orders, including such certifications as are listed below.

**A. Disclosure Affidavit Disclosure of Retained Parties.** MATCO shall execute a Disclosure Affidavit and Disclosure of Retained Parties in the form provided by City, in compliance with 720 ILCS 5/33E-3, 4 and 11(B), as amended; 65 ILCS 5/11- 42.1-1; Chapter 2-56 of the Municipal Code; Section 2-92-320 of Chapter 2 of the Municipal Code; and the City's Executive Order 2011-4, respectively.

**B. False Statements.** False statements made in connection with this Agreement, including statements in, omissions from and failures to timely update the Disclosure Affidavit and Disclosure of Retained Parties form, as well as in any other affidavits or statements constitute a material breach of the Agreement. Any such misrepresentation renders the Agreement voidable at the option of the City, notwithstanding any prior review or acceptance by the City of any materials containing such a misrepresentation. In addition, the City may debar MATCO, assert any contract claims or seek other civil or criminal remedies as a result of a misrepresentation (including costs of replacing a terminated contractor) pursuant to Section 1-21-010 *et seq.* of the Municipal Code.

**C. Anti-Scofflaw.** In accordance with Section 2-92-380 of the Municipal Code, and in addition to any other rights and remedies (including any of set-off) available to the City under this Agreement or permitted at law or in equity, the City shall be entitled to set off a portion of any amounts due MATCO by the City under this Agreement in an amount equal to the amount of the fines and penalties for each outstanding parking violation complaint and/or the amount of any debt owed by MATCO to the City. For purposes of this section, "outstanding parking violation complaint" means a parking ticket, notice of parking violation or parking violation complaint on which no payment has been made or appearance filed in the Circuit Court of Cook County within the time specified on the complaint, and "debt" means a specified sum of money owed to the City for which the period granted for payment has expired.

Notwithstanding the provisions of the immediately preceding paragraph, no such debt(s) or outstanding parking violation complaints shall be offset from any amounts due MATCO from the City under this Agreement if one or more of the following conditions are met:

1. MATCO has entered into an agreement with the Department of Revenue, or other appropriate City department, for the payment of all outstanding parking violation complaints and/or debts owed to the City and MATCO is in compliance with the agreement; or
2. MATCO is contesting liability for or the amount of the debt in a pending administrative or judicial proceeding; or
3. MATCO has filed a petition in bankruptcy and the debts owed the City are dischargeable in bankruptcy.

**D. Ethics.** MATCO shall comply with Chapter 2-156 of the Municipal Code, including Section 2-156-120, pursuant to which no payment, gratuity, or offer of employment shall be made in connection with any City contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of such Chapter shall be voidable as to the City.

**D. MacBride Principles.** The City, through the passage of the MacBride Principles Ordinance, seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provide a better working environment for all citizens in Northern Ireland.

If MATCO conducts any business operations in Northern Ireland, it is hereby required that MATCO shall make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

**F. Inspector General.** It shall be the duty of MATCO and all officers, directors, agents, partners, and employees of MATCO to cooperate with the Inspector General and Legislative Inspector General of the City in any investigation or hearing undertaken pursuant to Chapters 2-

55 and 2-56 of the Municipal Code. MATCO understands and will abide by all provisions of Chapters 2-55 and 2-56 of the Municipal Code.

**G. Americans with Disabilities Act.** Any and all designs for improvements to the MATCO Operations Areas that will be designed and built by or on behalf of MATCO shall comply with all Federal, State and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including the following: Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*, the Uniform Federal Accessibility Guidelines for Buildings and Facilities and the Illinois Environmental Barriers Act, 410 ILCS 25/1 *et seq.*, and the regulations promulgated thereto at 71 Ill. Admin. Code Ch. 1, Sec. 400.110. In the event that the above-cited standards are inconsistent, MATCO shall comply with the standard providing greater accessibility.

All construction or alterations undertaken by MATCO in connection with this Agreement, including all Work, shall be performed in compliance with all Federal, State and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including the following: Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*, and the Uniform Federal Accessibility Guidelines for Buildings and Facilities and the Illinois Environmental Barriers Act, 410 ILCS 25/1 *et seq.*, and the regulations promulgated thereto at 71 Ill. Admin. Code Ch. 1, Sec. 400.110.

**H. Conflicts of Interest.** MATCO represents and warrants that no member of the governing body of the City or other unit of government and no other officer, employee or agent of the City or other unit of government who exercises any functions or responsibilities in connection with this Agreement has any personal interest, direct or indirect, in this Agreement, or in MATCO.

MATCO further covenants that (i) no member of the governing body of the City and no officer, employee or agent of the City or other unit of government exercising any functions or responsibilities in connection with this Agreement shall acquire any personal, financial or economic interest, direct or indirect, in MATCO or this Agreement, and (ii) no member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or employee of the City shall be admitted to any share or part of this Agreement or any financial benefit to arise from it.

**I. Material Adverse Events.** MATCO shall provide the City with prompt notice of any occurrence of an event which has or could have a material adverse impact upon the MATCO Equipment, the Fuel System or the operation of the Airport.

**J. No Waste Disposal in Public Way MCC 11-4-1600(E).** MATCO warrants and represents that it has not violated and is not in violation of the following sections of the Municipal Code (collectively, the "Waste Sections"):

- Section 7-28-390 (Dumping on public way);
- Section 7-28-440 (Dumping on real estate without permit);

- Section 11-4-1410 (Disposal in waters prohibited);
- Section 11-4-1420 (Ballast tank, bilge tank or other discharge);
- Section 11-4-1450 (Gas manufacturing residue);
- Section 11-4-1500 (Treatment and disposal of solid or liquid);
- Section 11-4-1530 (Compliance with rules and regulations required);
- Section 11-4-1550 (Operational requirements); and
- Section 11-4-1560 (Screening requirements).

During the period while this Agreement is executory, MATCO's violation of the Waste Sections, whether or not relating to this Agreement, constitutes a breach of and an event of default under this Agreement. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity.

This section does not limit MATCO's duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement.

**K. Federal Terrorist (No-Business) List.** MATCO warrants and represents that neither MATCO nor an Affiliate, as defined below, appears on the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List, or the Debarred List as maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment.

"Affiliate" means a person or entity which directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with MATCO. A person or entity will be deemed to be controlled by another person or entity if it is controlled in any manner whatsoever that results in control in fact by that other person or entity, either acting individually or acting jointly or in concert with others, whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

**L. Prohibition on Certain Contributions, Mayoral Executive Order 2011-4.** No Identified Party, as defined below, shall make a contribution of any amount to the Mayor of the City or to his political fundraising committee during (i) the bid or other solicitation process for this Agreement or Other Contract, including while this Agreement or Other Contract is executory, (ii) the term of this Agreement or any Other Contract between City and Contractor, and/or (iii) any period in which an extension of this Agreement or Other Contract with the City is being sought or negotiated.

MATCO represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City

approached the MATCO or the date the MATCO approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

MATCO shall not: (i) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (ii) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (iii) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Contract, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Contractor violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, the CPO may reject Contractor's bid.

For purposes of this provision:

"Identified Party" means, with respect to MATCO, (i) MATCO, (ii) or any person or entity who directly or indirectly has an ownership or beneficial interest in MATCO of more than 7.5%, (iii) spouses and domestic partners of such owners, (iv) MATCO's subcontractors, (v) any person or entity who directly or indirectly has an ownership or beneficial interest in any such subcontractor of more than 7.5%, and (vi) spouses and domestic partners of such owners of such subcontractors.

"Other Contract" means any agreement entered into between MATCO and the City that is (i) formed under the authority of Chapter 2-92 of the Municipal Code; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code.

**M. Business Relationships With Elected Officials MCC Sect. 2-156-030(b).** Pursuant to Section 2-156-030(b) of the Municipal Code, it is illegal for any elected official of the city, or any person acting at the direction of such official, to contact, either orally or in writing, any other city official or employee with respect to any matter involving any person with whom the elected official has a business relationship, or to participate in any discussion in any city council committee hearing or in any city council meeting or to vote on any matter involving the person with whom an elected official has a business relationship. Violation of Section 2-156-030(b) by any elected official with respect to this contract will be grounds for termination of this agreement. The term business relationship is defined as set forth in Section 2-156-080 of the Municipal Code.

Section 2-156-080 defines a business relationship as any contractual or other private business dealing of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a financial interest, with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a financial interest shall not include: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the city; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A contractual or other private business dealing will not include any employment relationship of an officials spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the city.

#### **Section 8.06 - Non-discrimination.**

**A. Federal Requirements.** It shall be an unlawful employment practice for MATCO (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap, or national origin; or (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, age, handicap, or national origin. MATCO shall comply with The Civil Rights Act of 1964, 42 U.S.C. sec. 2000 *et seq.*, as amended. Attention is called to: Exec. Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000(e) note, as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. sec. 6101-6106 (1981); Rehabilitation Act of 1973, 29 U.S.C. sec. 793794 (1981); Americans with Disabilities Act; and 41 C.F.R. Part 60, *et seq.* (1990).

**B. State Requirements.** MATCO shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101, *et seq.*, as amended, and any rules and regulations promulgated in accordance therewith, including the Equal Employment Opportunity Clause, 5 Ill. Admin. Code §750

Appendix A. Furthermore, MATCO shall comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 *et seq.*, as amended.

**C. City Requirements.** MATCO shall comply with the Chicago Human Rights Ordinance, Section 2-160-010 *et seq.*, of the Municipal Code, as amended. Further, MATCO shall furnish and shall cause each of its contractors to furnish such reports and information as requested by the Chicago Commission on Human Relations.

**Section 8.07 - Affirmative Action Program and MBE/WBE Requirements.** MATCO assures that it will undertake an affirmative action program which sets forth all applicable Federal standards as required by 14 C.F.R. Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, religion, age, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. MATCO assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. MATCO assures that it will require that its covered suborganizations provide assurances to MATCO that they similarly will undertake an affirmative action program and that they will require assurances from their organizations, as required by 14 C.F.R., Part 152, Subpart E, to the same effect. In furtherance thereof, MATCO also agrees to implement a program consistent with the provisions of Exhibit F.

**Section 8.08 - Compliance With Environmental Laws.**

**A. Pre-Existing Conditions.** For the purposes of this Section 8.08, the presence of any Hazardous Material or Special Waste in the MATCO Operations Areas that would give rise to liability to any person on the part of MATCO or City, or violate any Environmental Law (as defined below), shall be known as an Environmental Condition. Any Environmental Condition existing on any portion of the MATCO Operations Areas prior to the Effective Date is hereby designated a "Pre-Existing Condition."

**B. Compliance with Environmental Laws.**

1. MATCO shall comply with all laws relating to the environment, including those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery, compensation, losses or injuries resulting from the release or threatened release of any Hazardous Material or Special Waste into the environment and to the generation, use, storage, transportation, or disposal of any solid waste, Hazardous Material or Special Waste, including the Comprehensive Environmental Response, Compensation and Liability Act (42 USC § 9601 *et seq.*), the Hazardous Material Transportation Act (49 USC § 1801 *et seq.*), the Resource Conservation and Recovery Act of 1976 (42 USC § 6901 *et seq.*), the Federal Water Pollution Control Act (33 USC § 1251 *et seq.*), the Clean Air Act (42 USC § 7401 *et seq.*), the Toxic Substances Control Act of 1976 (15 USC § 2601 *et seq.*), the Safe Drinking Water Act (42 USC § 300f), the Occupational Safety and Health Act of 1970 (29 USC § 651 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 USC § 11001 *et seq.*), the Illinois Environmental Protection Act (415 ILCS 5/1 *et seq.*), and the Municipal Code; additionally, any analogous future or

present local, state or federal ordinance or statute; any rule or regulation promulgated under or pursuant to any of the foregoing; and any other present or future law, ordinance, rule, regulation, permit or permit condition, order, or directive which regulates, relates to, imposes liability for or establishes standards of conduct concerning any Hazardous Material or Special Waste that may be set forth by the Federal government, any state or any political subdivision thereof, or any agency, court or body of the Federal government, any state or any political subdivision thereof exercising executive, legislative, judicial, regulatory or administrative functions (collectively, “**Environmental Laws**”).

2. If MATCO is required pursuant to any Environmental Law to submit any notice or report of a release or threatened release of any Hazardous Material or Special Waste on, under or about the MATCO Operations Areas, MATCO shall provide a copy of such report or notice to the City. In the event of a release or threatened release of any Hazardous Materials or Special Waste into the environment, or in the event of any claim, demand, action or notice is made against MATCO regarding MATCO’s failure or alleged failure to comply with any Environmental Law, MATCO shall immediately notify the City.

3. The City shall have reasonable access to the MATCO Operations Areas to inspect the same to confirm that MATCO is using the MATCO Operations Areas in accordance with Environmental Laws. MATCO, at the reasonable request of the City and at MATCO’s expense, shall conduct such sampling, testing and analysis as is necessary to ascertain whether MATCO is using the MATCO Operations Areas in compliance with all Environment Laws. Any such activities shall be conducted by qualified independent environmental consultants chosen by MATCO and subject to the City’s reasonable approval. Copies of any reports and test results shall be provided to the City.

4. In addition to any other remedy afforded at law, in equity or by the terms of this Agreement, if MATCO fails to comply with any Environmental Law which results in, or may result in, a material adverse impact to the MATCO Operations Areas or potential liability to the City, the City may (i) enter the MATCO Operations Areas and take necessary measures to ensure compliance with Environmental Laws, including testing and sampling, all at MATCO’s expense, and/or (ii) terminate this Agreement in accordance with the default provisions of this Agreement.

5. The City makes no warranty, express or implied, regarding the condition of any underground storage tanks on the MATCO Operations Areas, the presence of Hazardous Materials and Special Wastes on the MATCO Operations Areas, or that the MATCO Operations Areas are free of Hazardous Materials and Special Wastes. Subject to the limitations set forth in Section 8.08(A), in the event that City is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the MATCO Operations Areas or improvements thereon, MATCO shall defend City and indemnify City for any costs, damages or fines that might be found against City; *provided, however*, that MATCO shall not be held accountable by



the City under this Agreement in the event that contamination is the result of a third party traversing a right of way on the MATCO Operations Areas or the negligence of the City. MATCO's obligation to indemnify the City pursuant to this section in no other way limits nor is limited by any other indemnification provided in this Agreement.

6. MATCO's liability and obligations under this Section 8.08 shall survive the termination of this Agreement. MATCO hereby waives any right of action or claim pursuant to any Environmental Law against the City, its officers, officials, agents or employees except for (i) Pre-Existing Conditions for which MATCO is not accountable to the City under this Agreement, and (ii) those Post-Closing Conditions, if any, for which the City is the direct and proximate cause. Any Environmental Condition arising on any portion of the MATCO Operations Area after the Effective Date is hereby designated a "Post-Closing Condition."

### **C. Environmental Permits.**

1. MATCO must show evidence of, and keep current throughout the term of this Agreement, all waste hauling and disposal permits and insurance certificates required by Federal, state, City or other local governmental body or agency pursuant to any Environmental Law.

2. When requested by the Commissioner, MATCO shall submit copies of all permits required by any Environmental Law. Copies of all permits and insurance certificates that require periodic renewal must be forwarded to the Commissioner throughout the duration of this Agreement. Non-compliance with this requirement may be cause for termination of this Agreement.

3. *Environmental Records and Reports:* MATCO shall be required to prepare and maintain proper, accurate and complete records of accounts of all transactions related to the operations of this Agreement, including the following: (i) vehicle maintenance records; (ii) safety and accident reports; (iii) manifests; (iv) disposal records, including load tickets and information including disposal site used, date, truck number and disposal weight; (v) permit documentation and all other documentation and transactions pertaining to all Environmental Laws. All such records and accounts shall be subject to review by the City and shall be made available to the City upon the request of the Commissioner. The City's review of any such records and accounts shall in no way serve to limit MATCO's obligations or liability under the terms and conditions of this Agreement or any Environmental Law.

### **D. Disposal of Materials, Construction and Demolition Debris, Soil and Waste.**

1. MATCO shall be responsible for the proper disposal of all materials, construction and demolition debris, soil and other waste generated by MATCO's business operations, including the performance of Work, or MATCO's activities as set forth in Section 8.08. Hauling and disposal by a subcontractor does not relieve MATCO from

responsibility for proper disposal. Disposal of all materials, construction debris, soil, and other wastes shall be at a disposal site that is properly licensed and permitted to accept the particular materials, construction debris, soil and other wastes delivered to it in accordance with all Environmental Laws. MATCO shall identify the disposal site(s) and transfer station(s) to which it has contractual access and for all requisite permits and/or licenses have been obtained. Failure to identify disposal site(s) for materials, construction debris, soil and other wastes or to submit such information when requested by the Commissioner may be cause to terminate this Agreement.

2. Upon request by the Commissioner, MATCO shall provide the Commissioner with copies of all load tickets, manifests, bills of lading, scale tickets and other pertinent documents, including copies of all permits and/or licenses for every transfer station and/or landfill. In the event that the transfer station and/or landfill proposed for use by MATCO does not possess the necessary permits and/or licenses to accept the materials, construction debris, soil or other wastes, MATCO will replace the transfer station and/or landfill submitted as part of their bid proposal at no additional cost to the City. If MATCO disposes of materials, construction debris, soil or other wastes at a site which is not properly permitted, MATCO shall be responsible for all costs and fines associated with the removal of the waste to a properly licensed/permitted landfill or disposal site.

3. MATCO shall accept full responsibility for compliance with all Environmental Laws.

4. MATCO shall notify the Commissioner within 24 hours of receipt of any environmental complaints, fines, citations, violations or notices of violation by any governmental body or regulatory agency against MATCO or by any third party relating to the loading, hauling or disposal of materials, construction debris, soil or other wastes. MATCO will provide evidence to the satisfaction of the Commissioner of the way in which any such complaint, fine, citation, violation or notice has been addressed.

5. MATCO shall notify the City of any community meetings, media involvement or media coverage related to the loading, hauling or disposal of materials, construction debris, soil and other wastes under this Agreement in which MATCO is asked to participate.

6. MATCO shall verify, in writing, whenever requested by the Commissioner, that all materials, construction debris, and other waste accepted by MATCO from the City, has been disposed of in compliance with all Environmental Laws.

7. Non-compliance with these terms and conditions may affect MATCO's eligibility for future contracts.

**E. Equipment and Environmental Control During Transport.** MATCO shall haul materials, including fuel of any nature, any construction debris, soil and other wastes in vehicles

and/or containers complying with all applicable Environmental Laws. All equipment used to transfer materials, construction and demolition debris, soil and other wastes shall be designed to prevent spillage during the hauling operation. MATCO's equipment shall fully comply with all City, state and federal regulations, laws and ordinances pertaining to size, load weight, safety and any Environmental Law.

**F. Open Dumping Prohibited.** A form for identifying MATCO's debris and waste disposal/handling site(s) and acknowledging terms and conditions relating thereto (the "Form") shall be executed by MATCO and provided to the Commissioner before any debris or waste is removed from the MATCO Operations Areas for disposal or handling elsewhere. A sample Form is attached to this Agreement as Appendix A. In addition to the representations and requirements contained in the Form, MATCO understands and agrees that MATCO, unless otherwise authorized in writing by the Commissioner of Environment, shall not continue to use a disposal/handling site identified in the Form that (1) has been cited as being in violation of any environmental law or regulation or of any City ordinance or (2) does not have a necessary permit. If only one site was identified in the Form, MATCO shall arrange for a substitute disposal/handling site which meets the requirements specified in the Form and provide a revised Form to the Commissioner. MATCO further understands and agrees that any such substitution shall be at no additional cost to the City, regardless of the reason necessitating such substitution.

**Section 8.09 - Contractors.** MATCO agrees that all of the provisions set forth in Sections 8.03 through (and including) 8.08 will be incorporated in all contracts entered into with any suppliers of materials, furnishers of services, contractors of any tier, and labor organizations which furnish skilled, unskilled, and craft union skilled labor, or which may provide any materials, labor, or services in connection with this Agreement for amounts of \$10,000 or more. MATCO agrees to cause its contractors to execute such certificates as may be necessary in furtherance of these provisions. Such certifications shall be attached and incorporated by reference in the contracts. In the event that any contractor is a partnership or joint venture, MATCO shall also include provisions in its contract insuring that the entities comprising such partnership or joint venture shall be jointly and severally liable for its obligations thereunder.

**Section 8.10 - Indemnification.** In addition to the indemnifications set forth in Article VII, MATCO hereby indemnifies and agrees to defend and hold harmless the City, its agents, partners, officers, representatives and employees, from all Claims arising from or attributable to: (A) the presence due to MATCO's operations of Hazardous Materials and Special Wastes on the MATCO Operations Areas or the subsurface thereof or the violation of any Environmental Laws due to MATCO's operations (including, without limiting the generality thereof, any cost, claim, liability, or defense expended in remediation required by a governmental authority, or by reason of any release of any Hazardous Material or Special Waste due to MATCO's operations or violation of any Environmental Laws), (B) any aggravation of any condition on the MATCO Operations Areas caused, directly or indirectly, by MATCO's operations or (C) any breach by MATCO of any of its warranties, representations or covenants in this Article VIII. MATCO's obligations hereunder shall survive the termination or expiration of this Agreement, and shall not be affected in any way by the amount of or absence in any case of covering insurance or by the failure or

refusal of any insurance carrier to perform any obligation on its part under any insurance policies affecting the MATCO Operations Areas or MATCO's operations at the Airport.

**Section 8.11 - Gate Control.** MATCO may contract for an operator to perform gate coordination activities at the terminal. The selection of such operator shall be subject to the review and approval of the Commissioner. Such operator shall at all times observe, implement and comply with such rules and regulations for gate allocation as may be promulgated from time to time by the Commissioner. The City reserves and retains the right to direct MATCO to dismiss such operator for material cause. MATCO shall dismiss such operator immediately upon direction of the City.

**Section 8.12 - Fuel System Operator.** MATCO, by Majority-in-Interest approval of the Fuel Members, shall appoint, subject to the prior written consent of the City, a person who shall operate and maintain the Fuel System on behalf of the Fuel Members and who is referred to herein as the "Operator." Subject to the provision of this Agreement, the rights conferred upon MATCO and the Fuel Members with respect to the Fuel System under this Agreement may be exercised by the Operator, or by any one or more of the Fuel Members, on behalf of all Fuel Members, to the extent authorized by the Fuel Members by Majority-in-Interest approval. The Operator shall be the agent of MATCO.

## ARTICLE IX

### AIRPORT MATTERS

**Section 9.01 - Airport Rules and Regulations.** MATCO shall observe and obey all Airport rules and regulations governing the conduct and operations of the Airport, promulgated from time to time by City, provided, however, that such Airport rules and regulations must be neither (A) inconsistent with the exercise by MATCO of any right or privilege granted to it hereunder or under any other agreement between MATCO and City relating to the Airport, nor (B) inconsistent with the rules and regulations or orders of any Federal or State agency having jurisdiction over the Airport. Except in cases of emergency, no such rule or regulation shall be applicable to MATCO unless it has been given fifteen (15) days prior written notice of the adoption thereof.

**Section 9.02 - Other Legal Requirements.** MATCO shall comply, and shall cause its contractors to comply, with all applicable federal, state and local laws, codes, regulations, ordinances, rules and orders including those promulgated by the FAA, which shall include, but not be limited to, the following:

**A. Prohibition Against Exclusive Rights.** It is hereby specifically understood and agreed that nothing contained in this Agreement shall be construed to grant or authorize the grant to MATCO of an exclusive right to use Airport facilities or to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and City reserves the right to grant to others at the Airport similar privileges and rights.

**B. Subordination of Agreement.** MATCO covenants and agrees that this Agreement shall be subordinated to the provisions of any existing or future agreement between the City and the United States Government, the execution of which has been or will be required as a condition precedent to the granting of Federal funds for the development of the Airport. MATCO further agrees that it shall not cause the City to violate any assurances made by the City to the Federal government in connection with the granting of such Federal funds.

**C. Non-discrimination in the Use of the Airport.** This Agreement involves the use of or access to space on, over, or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public. MATCO, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (2) that no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (3) that MATCO shall use the Airport in compliance with all other requirements imposed by or pursuant to regulations of the U.S. Department of Transportation. In the event of a breach of the above nondiscrimination-covenants by MATCO, City shall have the right to terminate this Agreement and to reenter and repossess the MATCO Operations Areas and the facilities thereon, and hold the same as if this Agreement had never been executed.

**D. Non-Discrimination in Furnishing Services.** MATCO agrees that it shall provide its services and products promptly, efficiently and adequately to meet all reasonable demands therefor, all on a fair and non-discriminatory basis to all users thereof.

**Section 9.03 - Airport Agreements.** MATCO's use and occupancy of the MATCO Operations Areas shall be and remain subject to (A) the provisions of any existing or future agreements between City and the United States government, FAA or other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal or other government funds, including grant agreements, and (B) any use agreement heretofore or hereafter executed by the City with airlines operating at the Airport, including the Use Agreements and any ordinance or indenture, or both, authorizing bond anticipation notes or bonds or other obligations adopted by the City Council of the City authorizing the issuance of notes, bonds or other obligations for the Airport and securing such obligations by a pledge of revenues or net revenues of the Airport and any ordinance or indenture supplemental thereto, which shall also include any master indenture.

**Section 9.04 - Airport Security.**

**A. Airport Security Act.** This Agreement is subject to the airport security requirements of 49 U.S.C, Chapter 449, as amended, the provisions of which govern airport security and are incorporated by reference, including without limitation the rules and regulations in 49 C.F.R. pt.

1542 and all other applicable rules and regulations promulgated under them. All employees providing services at the City's airports must be badged by the City. (See Airport Security Badges below.) MATCO, Subcontractors and the respective employees of each are subject to such employment investigations, including criminal history record checks, as the Administrator of the FAA, the Under Secretary of the Transportation Security Administration ("TSA"), and the City may deem necessary. MATCO, Subcontractors, their respective employees, invitees and all other persons under the control of Contractor must comply strictly and faithfully with any and all rules, regulations and directions which the Commissioner, the FAA, or the TSA may issue from time to time may issue during the life of this Contract with regard to security, safety, maintenance and operation of the Airport and must promptly report any information regarding suspected violations in accordance with those rules and regulations.

Gates and doors that permit entry into restricted areas at the Airport must be kept locked by Contractor at all times when not in use or under Contractor's constant security surveillance. Gate or door malfunctions must be reported to the Commissioner without delay and must be kept under constant surveillance by Contractor until the malfunction is remedied.

**B. Airport Security Badges.** As part of airport operations and security, MATCO must obtain from the airport badging office Airport Security Badges for each of his employees, subcontractors, material men, invitees or any person(s) over whom MATCO has control, which must be visibly displayed at all times while at the airport. No person will be allowed beyond security checkpoints without a valid Airport Security Badge. Each such person must submit signed and properly completed application forms to receive Airport Security Badges. Additional forms and tests may be required to obtain Airport Drivers Certification and Vehicle Permits. The application forms will solicit such information as the Commissioner may require in his discretion, including but not limited to name, address, date of birth (and for vehicles, drivers license and appropriate stickers). MATCO is responsible for requesting and completing the form for each employee and subcontractors employee who will be working at the Airport and all vehicles to be used on the job site. Upon signed approval of the application by the Commissioner or his designee, the employee will be required to attend a presentation regarding airport security and have his or her photo taken for the badge. The Commissioner may grant or deny the application in his sole discretion.

As provided in Aviation Security Act above, in order for a person to have an Airport Security Badge that allows access to the airfield or aircraft, a criminal history record check ("CHRC") conducted by the Department of Aviation will also be required. The CHRC will typically include a fingerprint analysis by the Federal Bureau of Investigation and such other procedures as may be required by the TSA.

Airport Security Badges, Vehicle Permits and Drivers Licenses will only be issued based upon properly completed application forms. Employees or vehicles without proper credentials may be removed from the secured area and may be subject to fine or arrest. Contractor will be jointly and severally liable for any fines imposed on its employees or its Subcontractors employees.

In addition to other rules and regulations, the following rules related to Airport Security Badges, Vehicle Permits and Drivers Licenses must be adhered to:

- Each person must wear and display his or her Airport Security Badge on their outer apparel at all times while at the airport.
- All individuals operating a vehicle on the Aircraft Operations Area ("AOA") must be familiar and comply with motor driving regulations and procedures of the State of Illinois, City of Chicago and the Department of Aviation. The operator must be in possession of a valid, State-issued Motor Vehicle Operators Drivers License. All individuals operating a vehicle on the AOA without an escort must also be in possession of a valid Aviation-issued Airport Drivers Permit.
- All operating equipment must have an Airport Vehicle Access Permit affixed to the vehicle at all times while operating on the Airport. All required City stickers and State Vehicle Inspection stickers must be valid.
- Individuals must remain within their assigned area and haul routes unless otherwise instructed by the Department of Aviation.
- MATCO personnel who function as supervisors, and those that escort MATCO's equipment/operators to their designated work sites, may be required to obtain an added multi-area access designation on their personnel Airport Security Badge which must also be displayed while on the AOA.

**Section 9.05 - Confidentiality of Airport Security Data.** MATCO has an ongoing duty to protect confidential information, including but not limited to any information exempt from disclosure under the Illinois Freedom of Information Act such as information affecting security of the airport ("Airport Security Data"). Airport Security Data includes any Sensitive Security Information as defined by 49 C.F.R. pt. 1520. MATCO acknowledges that information provided to, generated by, or encountered by MATCO may include Airport Security Data. If MATCO fails to safeguard the confidentiality of Airport Security Data, MATCO is liable for the reasonable costs of actions taken by the City, the airlines, the FAA or the TSA that the applicable entity, in its sole discretion, determines to be necessary as a result, including without limitation the design and construction of improvements, procurement and installation of security devices, and posting of guards.

**Section 9.06 - Airport Noise Restrictions.** MATCO agrees to abide by any guidelines, rules or regulations for the Airport which result from any Part 150 study or any other restrictions imposed on noise and which are applicable to the use of the MATCO Operations Areas.

**Section 9.07 - Regulating the Airport; Airport Operation.** The City reserves the right to regulate, police and further develop, improve, reconstruct, modify or otherwise alter the Airport in the City's sole discretion. The City reserves the right, but shall not be obligated to MATCO, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the

Airport. The City shall not have any obligation to continue to operate the Airport or any part as an airport for passenger or freight air transportation or at any particular level of operation and may at any time limit or discontinue use of the Airport or any means of access to or within the Airport in whole or in part. This provision shall not be interpreted to grant a right to limit or discontinue means of access to the MATCO Operations Areas by MATCO from outside the Airport from dedicated public streets.

**Section 9.08- Exercise by City of Governmental Functions.** Nothing contained herein shall impair the right of the City, in the exercise of its governmental functions, to require MATCO to pay any tax or inspection fees or to procure necessary permits or licenses. Nothing herein shall be construed to prevent MATCO from contesting in good faith any tax or inspection fee so long as such contest is diligently commenced and prosecuted by MATCO.

**Section 9.09 - Maintenance and Operation of Airport.**

**A. City's Obligations.**

1. The City shall operate and maintain in a manner consistent with that of a reasonably prudent operator of an Airport, and keep in good condition and repair, the runway and the taxiway, roadways, water lines, sewer lines, drainage ditches, additions, improvements, facilities, and equipment, now or hereafter provided by the City, serving the MATCO Operations Areas but located outside the MATCO Operations Areas, including the removal of snow, ice, vegetation, stones, and other foreign matter, as reasonably as may be done, from the runway and taxiway, connections therefrom, and roadways.

2. The City hereby retains the right to enter upon the MATCO Operations Areas at any time without such entering causing or constituting a termination of this Agreement or an interference with the use of the MATCO Operations Areas by MATCO, and do all things necessary to operate and maintain water mains and sewer mains that may exist beneath the surface of the MATCO Operations Areas. The City shall operate and maintain only its water mains and sewer mains, and assumes no responsibility or liability for the operation or maintenance of any sewer or water laterals within the MATCO Operations Areas that are used exclusively by MATCO.

**B. MATCO's Remedy.** In the event that the City fails to cure any failure in its performance of its obligations under Section 9.09(A) within a reasonable period, and provided that the Airport is not closed at the direction of the City or any other governmental authority or agency, MATCO's sole and exclusive remedy is to terminate this Agreement by providing notice to the City pursuant to the terms of Article X.

**Section 9.10 - Similar Facilities.** The City, in its sole discretion, may construct facilities similar to the MATCO Operations Areas, the Fuel System and MATCO Equipment. MATCO shall not have any rights hereunder with respect to such facilities.



## ARTICLE X

### DEFAULT AND TERMINATION

**Section 10.01 - Events of Default.** Each of the following shall be an event of default under this Agreement:

A. MATCO shall become insolvent (as such terms is defined under Section 101 of the Federal Bankruptcy Code); or shall fail to pay its debts, generally as they mature; or shall take the benefits of any present or future Federal or State insolvency statute; or shall make a general assignment for the benefit of creditors.

B. MATCO shall file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or of any State thereof; or consent to the appointment of a receiver trustee, custodian, liquidator, or other similar official, of all or substantially all of its property; or an order for relief shall be entered by or against MATCO under any chapter of the Federal Bankruptcy Code.

C. By order or decree of a court, MATCO shall be adjudged a debtor or bankrupt, or an order shall be made approving a petition filed by any of its creditors or by any of its stockholders, seeking its reorganization or the restructuring of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or any State thereof and such order or decree shall not be stayed or vacated within sixty (60) days of its issuance.

D. A petition under any chapter of the Federal Bankruptcy Code or an action under any Federal or State insolvency statute shall be filed against MATCO and shall be dismissed or stayed within sixty (60) days after being filed thereof.

E. By or pursuant to, or under authority of any legislative act, resolution or rule, or order or decree of any court or governmental board, agency or officer, a receiver, trustee, custodian, liquidator, or other similar official shall take possession or control of all or substantially all of the property of MATCO and such possession or control shall continue in effect for a period of sixty (60) days.

F. MATCO shall become a corporation in dissolution.

G. The letting, license, or other interest of or rights of MATCO hereunder shall be transferred to, pass to, or devolve upon, by operation of law or otherwise, any other person, firm, corporation, or other entity, by, in connection with, or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceedings or occurrence described in Subparagraphs (A) through (E) of this Section 9.01.

H. MATCO shall fail to duly and punctually make any payment required to be paid hereunder or shall fail to make payment when due of any other sum required to be paid to the City

pursuant to this Agreement, for a period of five (5) business days after written notice specifying such failure and requesting that it be remedied is given to MATCO by the City.

I. MATCO shall fail to keep, perform, and observe any promise, covenant, or other provision of this Agreement, other than the obligation to make payment, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to MATCO by the City; *provided, however*, that any such failure which can be remedied, but which cannot with due diligence be remedied within such thirty (30) day period, shall not give rise to the City's right to terminate this Agreement if corrective action is instituted by MATCO within such thirty (30) day period and diligently pursued until the failure is remedied.

J. Any lien shall be filed against the MATCO Equipment or any portion thereof resulting from any act or omission of MATCO, and shall not be discharged within thirty (30) days, unless MATCO shall within the aforesaid thirty (30) days furnish the City such security as the Commissioner in his or her discretion determines to be adequate to protect the interests of the City.

K. MATCO shall cease using or abandon substantially all of the MATCO Operations Areas for a period of ninety (90) days.

L. MATCO shall make any assignment of any of its interests, rights or obligations under this Agreement without the consent of the City as set forth in Section 11.12.

M. MATCO shall fail to maintain its corporate existence, or to remain duly qualified to do business in the State of Illinois, or MATCO shall dissolve or otherwise dispose of all or substantially all of its assets, or shall consolidate with or merge into another corporation; *provided, however*, that it shall not be an Event of Default if MATCO consolidates with or merges into an Affiliate; or

N. MATCO fails to receive authorization to conduct its operations at the Airport by any governmental entity.

O. MATCO defaults on any financing agreement or lease issued by the City for use and repayment by MATCO.

**Section 10.02 - City's Remedies.**

A. Whenever an Event of Default has occurred and is continuing, the City may, at its option, immediately and without prior notice of such Event of Default:

1. terminate this Agreement and the licenses and other rights of MATCO hereunder, without discharging any of MATCO's obligations hereunder and, at City's further option, exclude MATCO from the MATCO Operations Areas; or

2. without terminating this Agreement, exclude MATCO from the MATCO Operations Areas and attempt to grant such MATCO Operations Areas to

another party for the account of MATCO, holding MATCO liable for any payments that may be due hereunder up to the effective date of such grant.

**B.** The remedies set forth in this Article X shall be in addition to all other remedies which are or may be available to the City at law or in equity. In addition, the City may, from time to time, take whatever action at law or in equity appears necessary or desirable to collect any amounts payable by MATCO hereunder then due and thereafter to become due, and to enforce the performance and observance of any obligation, agreement, or covenant of MATCO under this Agreement.

**C.** All rights and remedies hereinbefore given to the City and all rights and remedies given to the City by law, shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the MATCO Operations Areas shall deprive the City of any of the City's remedies or actions against MATCO for any other sum required to be paid to the City pursuant to this Agreement, or for damages or for the breach of any covenant herein contained, nor shall the bringing of any action for fees or breach of covenant, or the resort to any other remedy herein provided for the recovery of fees be construed as a waiver of the right to obtain possession of the MATCO Operations Areas.

**D.** Any payment due the City from MATCO pursuant to the terms of this Agreement which is not paid by MATCO and which, in the reasonable opinion of the City pursuant to generally accepted accounting principles, is deemed by the City to be uncollectible, shall become an expense of the Equipment Cost Center or the Fueling Cost Center, as applicable, and payable pursuant to the terms of the Use Agreements.

### **Section 10.03 - Removal of MATCO's Property.**

**A.** The personal property financed with funds other than Bonds and placed or installed by MATCO in the MATCO Operations Areas shall remain the property of MATCO and must be removed on or before the expiration of the term or the expiration of any extension or renewal thereof at MATCO's sole risk and expense. Any damage to the Airport, the MATCO Operations Areas, or any fixtures located therein, the Fuel System or the MATCO Equipment, resulting from such removal shall be paid for by MATCO. In the event of the termination of this Agreement, by default or otherwise, MATCO shall have thirty (30) days after such termination during which to remove such property; *provided, however*, that the City shall have the right to assert such liens against said property as the City may by law be permitted. So long as any such property remains in the MATCO Operations Areas, MATCO's obligation to pay the City any sums which may be due the City under the Agreement shall continue.

**B.** If MATCO's property is not removed as herein provided, the City may, at its option, deem such property abandoned and keep such property or after written notice to MATCO and at MATCO's sole risk and expense, remove such property to a public warehouse for deposit, or retain the same in the City's possession and after the expiration of thirty (30) days sell the same, with notice and in accordance with applicable law, the proceeds of which shall be applied first to

the expenses of such removal and sale, second to any sum owed by MATCO to the City, and any balance remaining shall be paid to MATCO.

**Section 10.04 - No Waiver by City.** Failure by the City to take any action with respect to any default or violation by MATCO of any of the terms, covenants, or conditions of this Agreement shall not in any respect limit, prejudice, diminish, or constitute a waiver of any rights of the City to act with respect to any prior, contemporaneous, or subsequent violation or default. The acceptance by the City of payment for any period or periods after a default or violation of any of the terms, conditions, and covenants of this Agreement shall not constitute a waiver or diminution of, nor create any limitation upon any right of the City pursuant to this Agreement to terminate this Agreement for subsequent violation or default, or for continuation or repetition of the original violation or default.

**Section 10.05 - City's Right to Perform MATCO's Obligations.** In the event that MATCO fails to perform any of its obligations under this Agreement, the City may, but is not obligated to, and without waiving or releasing MATCO from any of its obligations hereunder, make any payment or perform any other act which MATCO is obligated to make or perform under this Agreement in such manner and to such extent as City may deem desirable; and in so doing the City shall also have the right to enter upon the MATCO Operations Areas for any purpose reasonably necessary in connection therewith and to pay or incur any other necessary and incidental costs and expenses, including reasonable attorneys' fees. Such costs shall be chargeable to the Equipment Cost Center and Fueling Cost Center and payable from Airport revenues. The City shall use reasonable efforts to give prior notice, which may be oral, of its performance, if reasonably feasible under the circumstances.

The performance of any such obligation by the City shall not constitute a waiver of MATCO's default in failing to perform the same. Inaction of the City shall never be considered as a waiver of any right accruing to it pursuant to this Agreement. The City, in making any payment hereby authorized: (A) relating to taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (B) for the discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (C) in connection with the completion of construction or improvements to the MATCO Operations Areas or the repair, maintenance or reconstruction of the MATCO Operations Areas or payment of operating costs thereof, may do so in such amounts and to such persons as the City may reasonably deem appropriate. Nothing contained herein shall be construed to require the City to advance monies for any purpose. The City shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business or other damage to MATCO or any other occupant of the MATCO Operations Areas or any part thereof, by reason of making repairs or the performance of any work on the MATCO Operations Areas or on account of bringing materials, supplies and equipment into or through the MATCO Operations Areas during the course thereof and the obligations of MATCO under this Lease shall not thereby be affected in any manner. In doing so, however, the City shall use reasonable efforts not to interfere with MATCO's operations.

**Section 10.06 - Attorneys' Fees and Expenses.** In the event MATCO defaults under this Agreement and the City employs attorneys or incurs other expenses for the collection of MATCO fees or any other amounts due hereunder, or for the enforcement or performance or observance of any obligation or agreement on the part of MATCO herein contained, the City shall charge such fees and expenses of such attorneys and any such other reasonable expenses incurred by the City as a result of such default to the Equipment Cost Center and Fueling Cost Center.

## ARTICLE XI

### NOTICE

Any notices or other communications pertaining to this Agreement shall be in writing and shall be deemed to have been duly given by a party if sent by nationally recognized commercial overnight courier or registered or certified mail, return receipt requested, postage prepaid and addressed to the other party. Notices shall be deemed given on the date of receipt if by personal service, or one day after deposit with a nationally recognized commercial overnight courier, three days after deposit in the U.S. mails, or otherwise upon refusal of receipt. All notices or communications intended for MATCO shall be addressed to:

MATCO  
Midway Airlines' Terminal Consortium  
5757 S. Cicero Ave  
Ticketing Level  
Chicago, Illinois 60638  
Attn: Executive Director

All notices or communications intended for the City shall be addressed to:

Commissioner, Department of Aviation  
City of Chicago  
O'Hare International Airport  
P.O. Box 66142  
Chicago, Illinois 60666

with a copy to:

City Comptroller  
Department of Finance  
City of Chicago  
33 N. LaSalle Street, Suite 700  
Chicago, Illinois 60602

and with a copy to:

Corporation Counsel  
Department of Law  
City of Chicago  
Room 600 City Hall  
121 North LaSalle Street

Chicago, Illinois 60602

Either party may change its address or the individual to whom such notices are to be given by a notice given to the other party in the manner set forth above.

## ARTICLE XII

### MISCELLANEOUS

**Section 12.01 - City's Right of Entry.** The City, by its officers, employees, agents, representatives, contractors, and furnishers of utilities and other services, shall have the right at all reasonable times to enter the MATCO Operations Areas for the purpose of inspecting the same, for emergency repairs to utilities systems, and for any other purpose necessary for, incidental to, or connected with the performance of the City's obligations hereunder, or in the exercise of its governmental functions; and further, and without limiting the generality of the foregoing, the City has the right to inspect MATCO's records of its operations at the Airport. The City shall, to the extent permitted under applicable law, preserve the confidentiality of all information obtained through such inspections, unless MATCO has consented to disclosure or has publicly released such information.

**Section 12.02 - Force Majeure.** Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including, without limiting the generality hereof, strikes, boycotts, picketing, slow-downs, work stoppages, or other labor actions affecting the City or MATCO, their respective contractors or subcontractors, except to the extent that such failure, delay or interruption is the result of the negligence of that party; provided that nothing in this Section 12.02 is intended or shall be construed to abate, postpone, or in any respect diminish MATCO's obligations to make any payments due the City pursuant to this Agreement.

The City shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any Federal, State, county, or municipal law, rule, regulation, requirement, order, or directive.

MATCO shall not be liable for the performance of any obligation of MATCO hereunder if such performance is prohibited or materially affected by the issuance of any order, rule, or regulation, or the taking of any action by the FAA or other government authority substantially affecting for a period of at least sixty (60) days MATCO's use of the Airport; *provided, however*, that none of the foregoing is due to any fault of MATCO.

**Section 12.03 - Conflict of Interest.** MATCO hereby represents and warrants that it is not, and, to the best of MATCO's knowledge its contractors are not in violation of Chapter 2-156 of the Municipal Code. Any contract negotiated, entered into or performed in violation of said chapter shall be invalid and without any force whatsoever.

**Section 12.04 - Representatives.** The City and MATCO shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for the City and MATCO, respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. Except as specifically set forth herein, for the purposes of actions to be taken by it or by the Commissioner, the City's representative shall be the Commissioner. MATCO's representative shall be designated in a written notice delivered to the City. Any party hereto may change its designated representative by notice to the other party pursuant to the provisions of Article 11.

**Section 12.05 - Entire Agreement.** This Agreement, and the exhibits attached hereto and incorporated hereby, shall constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this Agreement that are not expressly addressed herein and therein.

**Section 12.06 - Counterparts.** This Agreement is comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

**Section 12.07 - Amendments.** No changes, amendments, modifications, cancellation, or discharge of this Agreement, or any part thereof, shall be valid unless in writing and signed by the parties hereto, or their respective successors and assigns.

**Section 12.08 - Governing Law.** This Agreement shall be governed in accordance with the laws of the State of Illinois. MATCO hereby irrevocably submits, and shall cause its subcontractors to submit, to the original jurisdiction of those State or Federal courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. MATCO agrees that service of process on MATCO may be made, at the option of the City, either by registered or certified mail addressed to the applicable office as provided for, in this Agreement, by registered or certified mail addressed to the office actually maintained by MATCO, or by personal delivery on any officer, director, or managing or general agent of MATCO.

**Section 12.09 - Consent to Service of Process and Jurisdiction.** All judicial proceedings brought by MATCO with respect to this Agreement shall be brought in Cook County, Illinois, and by execution and delivery of this Agreement, MATCO accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. MATCO irrevocably waives any objection (including any objection of the laying of venue or based on the grounds of forum nonconveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Agreement in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the City to bring proceedings against MATCO in the courts of any other jurisdiction.

**Section 12.10 - Severability.** If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law, or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

**Section 12.11 - No Assignment.** MATCO may not assign any of its interests, rights or obligations under this Agreement without the express written consent of the City. In the event that the City approves any assignment, all of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, transferees, and assigns. The City may transfer its interests, rights and obligations hereunder at any time.

**Section 12.12 - Co-Operation by Parties.** The parties hereby agree to use good faith in the performance of this Agreement and to co-operate with each other. The City shall be expressly identified as a third party beneficiary in the Contracts and granted a direct right of enforcement thereunder. If this Agreement is terminated for any reason, or if it expires by its own terms, MATCO shall make every reasonable effort to assure an orderly transition to another operator or provider of similar services, if any; orderly demobilization of its own operation; and the uninterrupted provision of operations and maintenance services for the MATCO Equipment and Fuel System. During any transition period MATCO shall otherwise comply with the reasonable requests and requirements of the Commissioner in connection with the termination or expiration of this Agreement.

**Section 12.13 - Consents and Approvals.** Unless otherwise expressly stated herein, any consents and approvals to be given by City shall be made by the Commissioner.

## ARTICLE XIII

### AUTHORITY

**Section 13.01 – City’s Authority.** This Agreement is authorized by an Ordinance of the City Council of the City. Wherever this Agreement provides that an act is to be taken or performed, or approval or consent is to be given by the City, such act may be taken or performed, or approval or consent may be given, by the Commissioner, without further action by the City Council of the City, as long as such act, approval or consent does not result in an extension of the Term beyond any permitted renewals. The Commissioner may execute an amendment to the Agreement provided that he or she is authorized to take or perform the act, or provide the consent or approval, giving rise to such amendment.



**Section 13.02 – MATCO’s Authority.** Execution of this Agreement by MATCO is authorized by corporate resolution, and the signatures of each person signing on behalf of MATCO have been made with complete and full authority to commit MATCO to all terms and conditions of this Agreement, including each and every representation, certification, and warranty contained herein, attached hereto and collectively incorporated by reference herein, or as may be required by the terms and conditions hereof.

**IN WITNESS WHEREOF**, the City of Chicago has caused this Agreement to be executed on its behalf by its Mayor, pursuant to due authorization of City Council of the City of Chicago, and the Midway Airlines' Terminal Consortium has caused this Agreement to be executed on its behalf by its Chairperson and witnessed by its Secretary, pursuant to due authorization, all as of the day and year first above written.

Attest:

CITY OF CHICAGO

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

Recommended by:  
DEPARTMENT OF AVIATION

\_\_\_\_\_  
Commissioner

Approved as to form and legality:

\_\_\_\_\_  
Chief Assistant Corporation Counsel

Attest:

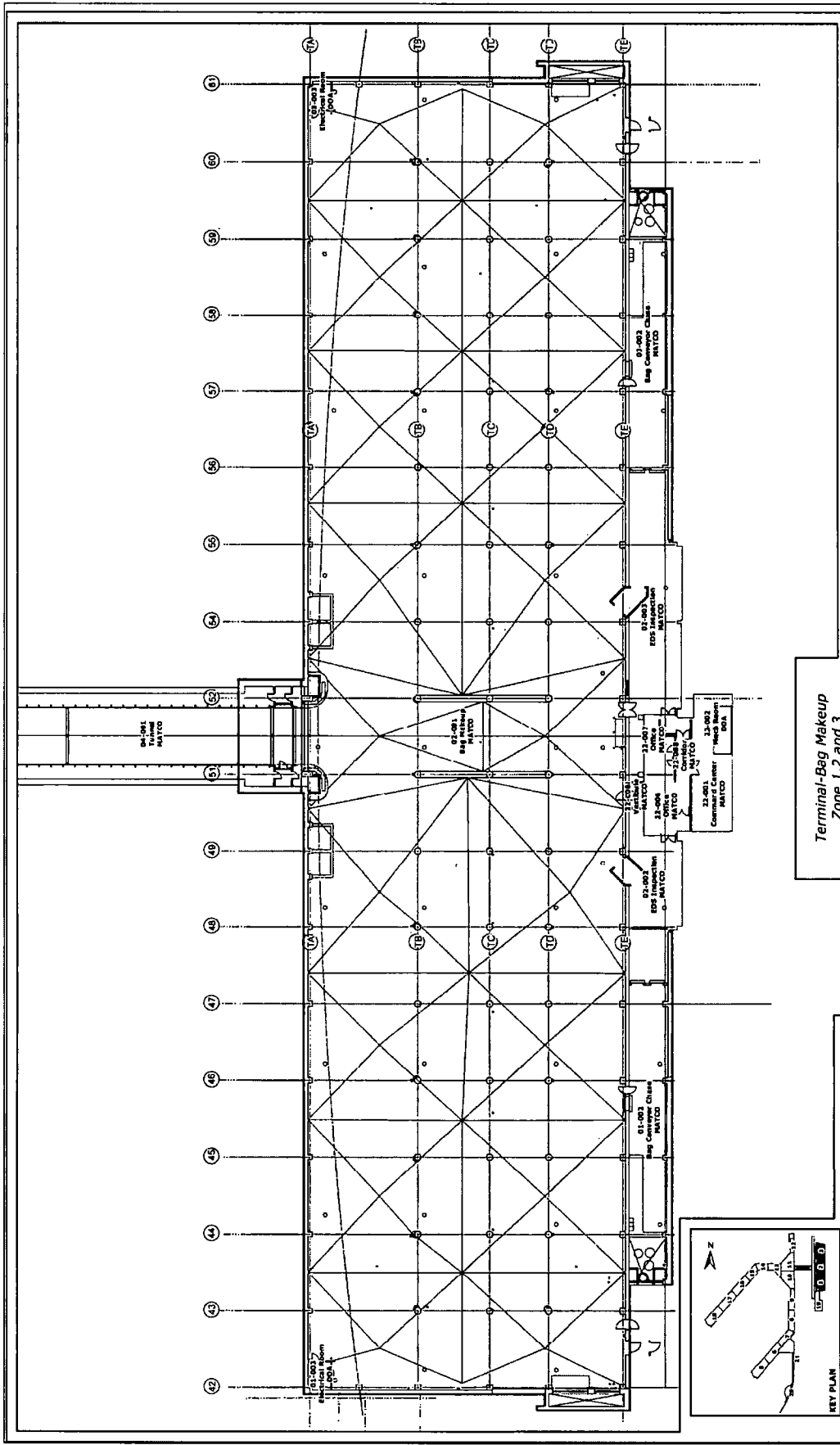
MIDWAY AIRLINES' TERMINAL  
CONSORTIUM

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairperson

**EXHIBIT A**  
**EASEMENTS**

| Location                | Floor | Room No.         | Description                                |
|-------------------------|-------|------------------|--|
| Terminal                | 0     | 1-002            | Conveyor Chase                             |
| Terminal                | 0     | 2-001            | Bag Room                                   |
| Terminal                | 0     | 2-002            | Conveyor Chase                             |
| Terminal                | 0     | 2-004            | Vestibule                                  |
| Terminal                | 0     | 2-005            | Vestibule                                  |
| Terminal                | 0     | 3-002            | Conveyor Chase                             |
| Terminal                | 0     | 22-006i          | Vestibule                                  |
| Terminal                | 0     | 22-007           | Ready Parts Storage                        |
| Terminal                | 0     | 22-008           | Corridor                                   |
| Terminal                | 0     | 04-001           | Tunnel                                     |
| Terminal                | 3     | TM2-206A         | North Mezz                                 |
| Terminal                | 3     | TM2-205B         | South Mezz                                 |
| Terminal*               | 0     | NO NUMBER        | Library                                    |
| Terminal                | 1     | NO NUMBER        | Baggage Claim Areas 1-8                    |
| Concourse A             | 1     | 6-111            | Tug Charging - A7                          |
| Concourse A             | 1     | 7-104            | 400 HZ Room                                |
| Concourse A             | 1     | 7-106            | Blue Water Room                            |
| Concourse A             | 1     | 7-107            | Triturator Room                            |
| Concourse A             | 1     | 07-105           | Document Storage                           |
| Concourse A             | 1     | MATCO JANITORIAL | A8 Janitor's Closet                        |
| Concourse A             | 1     | 6-218            | A10 Janitor's Closet                       |
| Concourse A Infill      | 1     | AU27-206A        | Extension FID's Closet (behind concession) |
| Concourse A Infill      | 1     | AU28-209A        | Women's Restroom Closet (extension)        |
| Concourse A - FIS       | 1     | ML10-125B        | RCI Chase                                  |
| Concourse A - FIS       | 1     | AL9-152A         | FIS CHASE                                  |
| Concourse A - FIS       | 1     | 09-153           | International Bag Claim                    |
| Concourse A - FIS       | 1     | 9-169            | Ramp Corridor                              |
| Concourse B             | 1     | 13-102           | Tug Charging - B8                          |
| Concourse B             | 1     | 13-101           | PC Air Room                                |
| Concourse B             | 1     | 16-104           | 400 HZ Room                                |
| Concourse B             | 1     | 17-103           | Ready Parts Storage                        |
| Parking Garage*         | 3     | 21-311           | South EDS Electrical Room                  |
| Parking Garage*         | 3     | 22-301A          | South EDS North Security Door              |
| Parking Garage*         | 3     | 22-301B          | South EDS North Fire Door                  |
| Parking Garage*         | 3     | 22-302A          | North EDS South Security Door              |
| Parking Garage*         | 3     | 22-302B          | North EDS South Fire Door                  |
| Parking Garage*         | 3     | 22-310           | South EDS North Door                       |
| Parking Garage*         | 3     | 22-312           | Parts Storage Room                         |
| Parking Garage*         | 3     | 22-313           | Bag Control Room                           |
| Parking Garage*         | 3     | 22-314           | EDS Manager                                |
| Parking Garage*         | 3     | 22-315           | EDS Computer Room                          |
| Parking Garage*         | 3     | 22-317           | South Mechanical Room                      |
| Parking Garage*         | 3     | 22-319           | North Mechanical Room                      |
| Parking Garage*         | 3     | 22-320           | TSA Breakroom                              |
| Parking Garage*         | 3     | 22-321           | OSR Room                                   |
| Parking Garage*         | 3     | 22-322           | TSA Manager                                |
| Parking Garage*         | 3     | 22-324           | North EDS South Door                       |
| Parking Garage*         | 3     | 23-311           | North Electrical Room                      |
| Fuel Farm               |       |                  |  |
| Load Rack               |       |                  |  |
| Diesel Tank             |       |                  |  |
| Hydrant Pits            |       |                  |  |
| Triturator              |       |                  |  |
| *Not shown in Exhibit A |       |                  |  |



NEW ORG. ONLY 8/20/12  
 REV. PLS. MATCO TO J. KING

**Terminal-Bag Makeup**  
**Zone 1, 2 and 3**

AREA IN SQUARE FT: 81,935.2

**Chicago Midway International Airport**  
 City of Chicago  
 Rahm Emanuel  
 Mayor

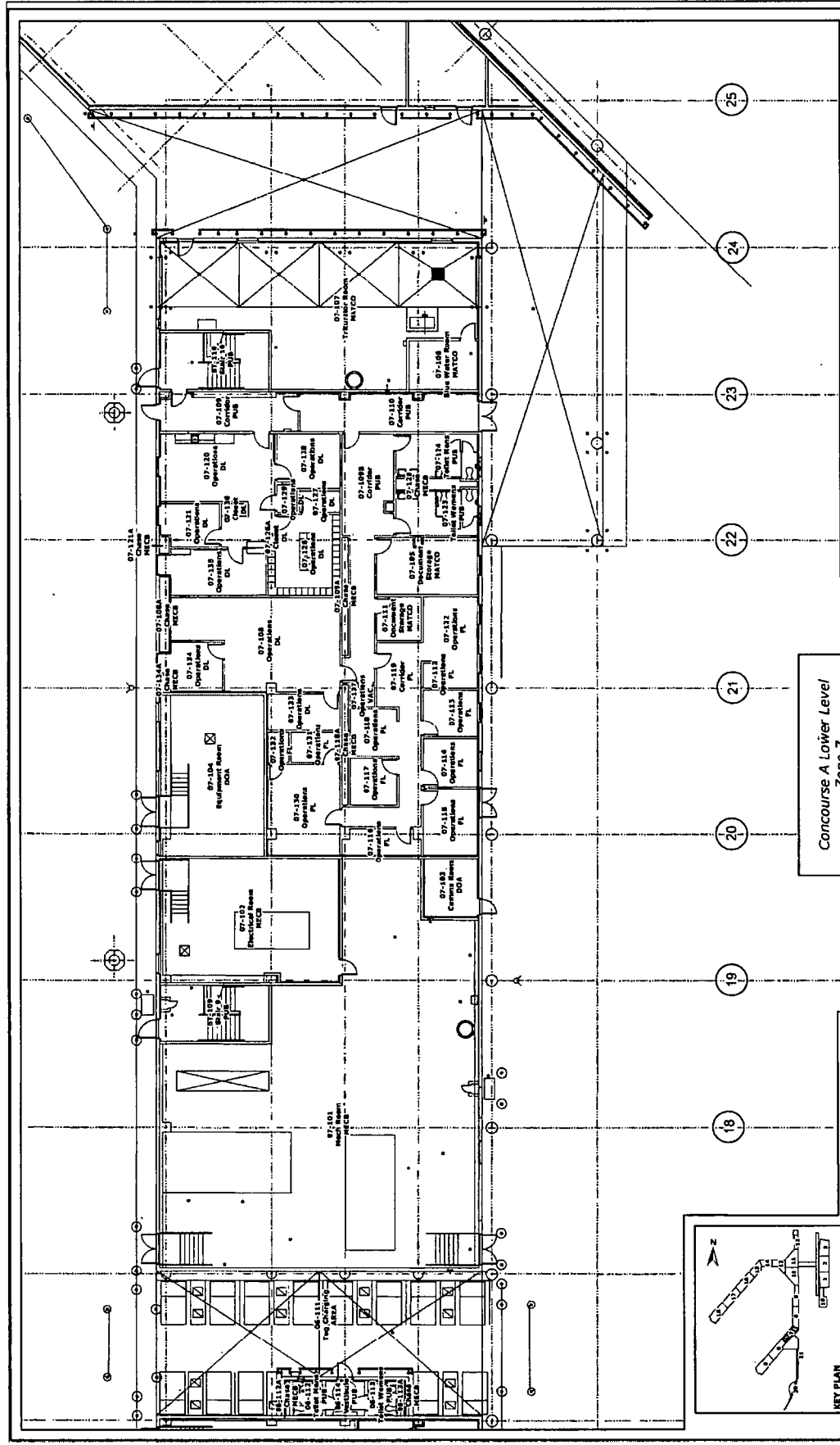
**Department of Aviation**  
 Chicago

**CDPA**  
 CHICAGO DEPARTMENT OF AVIATION

**LEB**

**MATCO - Areas Responsible for Maintenance of Joint-Use Premises**

Scale: 1"=40'  
 Exhibit A-1



AREA IN SQUARE FT: 5,808.5

Concourse A Lower Level  
Zone 7

Chicago Midway  
International Airport

City of Chicago  
Rahm Emanuel  
Mayor

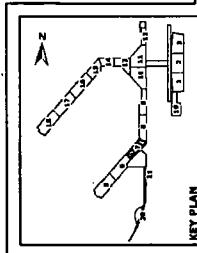
Department  
of Aviation

Chicago  
O'DEA  
International  
Airport

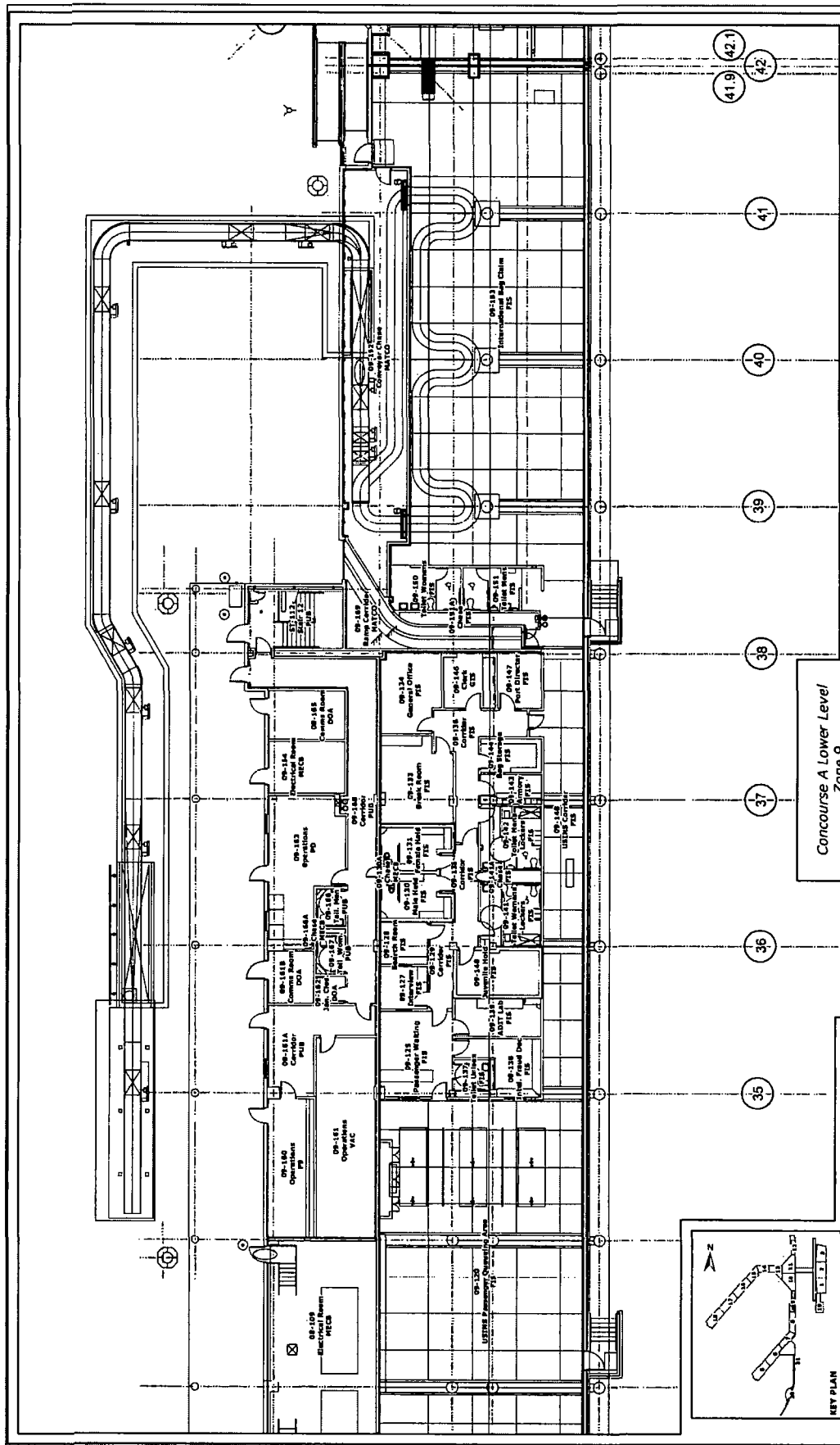
Scale: 1"=20'

Exhibit  
A-2

REV DATE: 04/12/03  
REV BY: MATCO 07.CLA.MTD



KEY PLAN



Concourse A Lower Level  
Zone 9

AREA IN SQUARE FT: 1,076.8

Rev Date: 08/19/01  
Rev File: MATCO 268 C-1.rvt

Scale: 1"=20'

Exhibit  
**A-3**

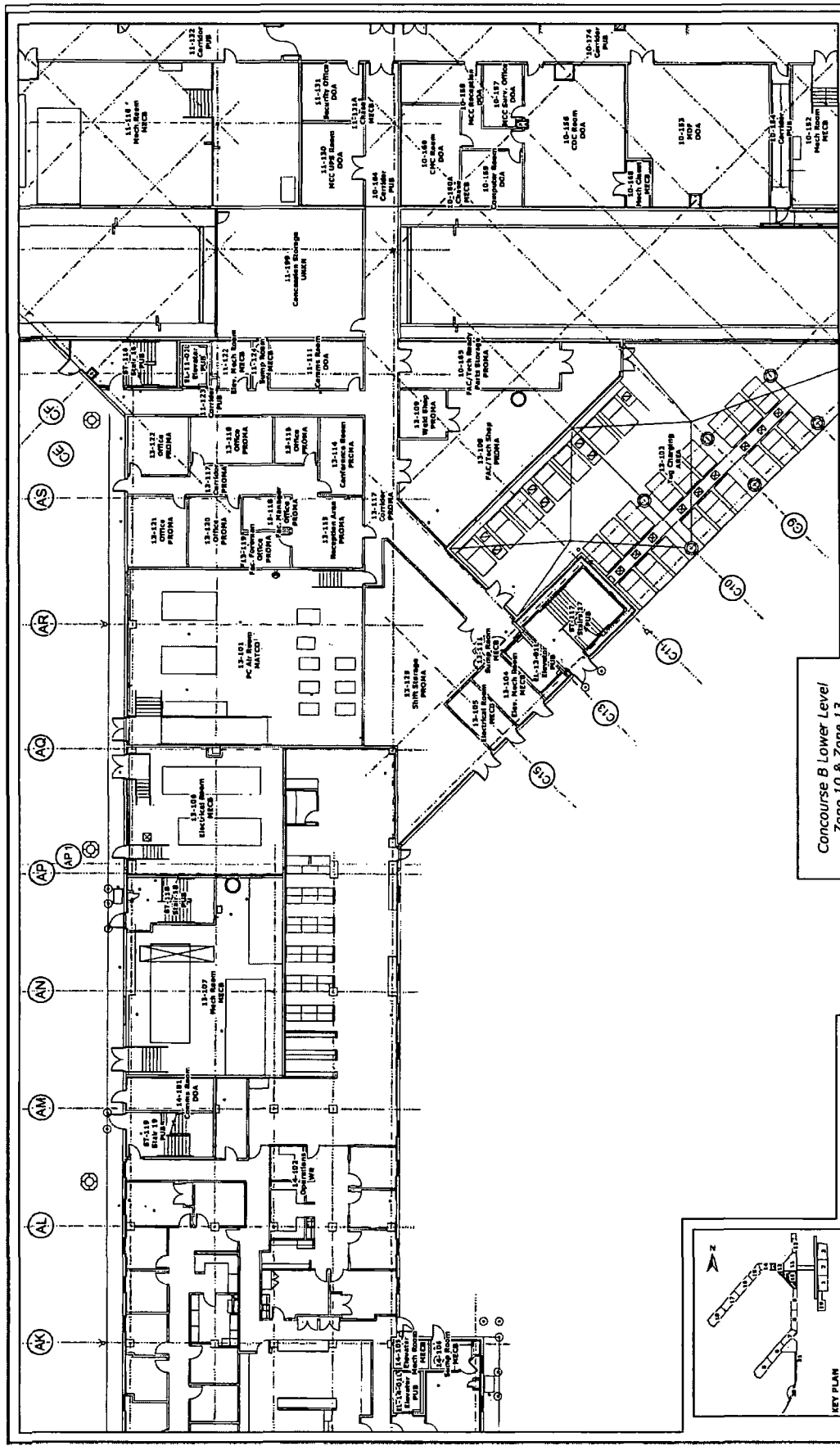
**MATCO - Areas Responsible for Maintenance of Joint-Use Premises**



Chicago Midway International Airport  
City of Chicago  
Rahm Emanuel  
Mayor

Department of Aviation

Chicago Midway International Airport



Concourse B Lower Level  
Zone 10 & Zone 13

Scale: 1"=20'

Exhibit  
A-4

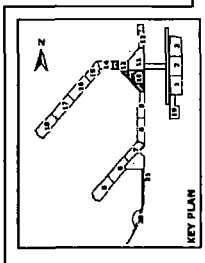
**MATCO - Areas Responsible for Maintenance of Joint-Use Premises**



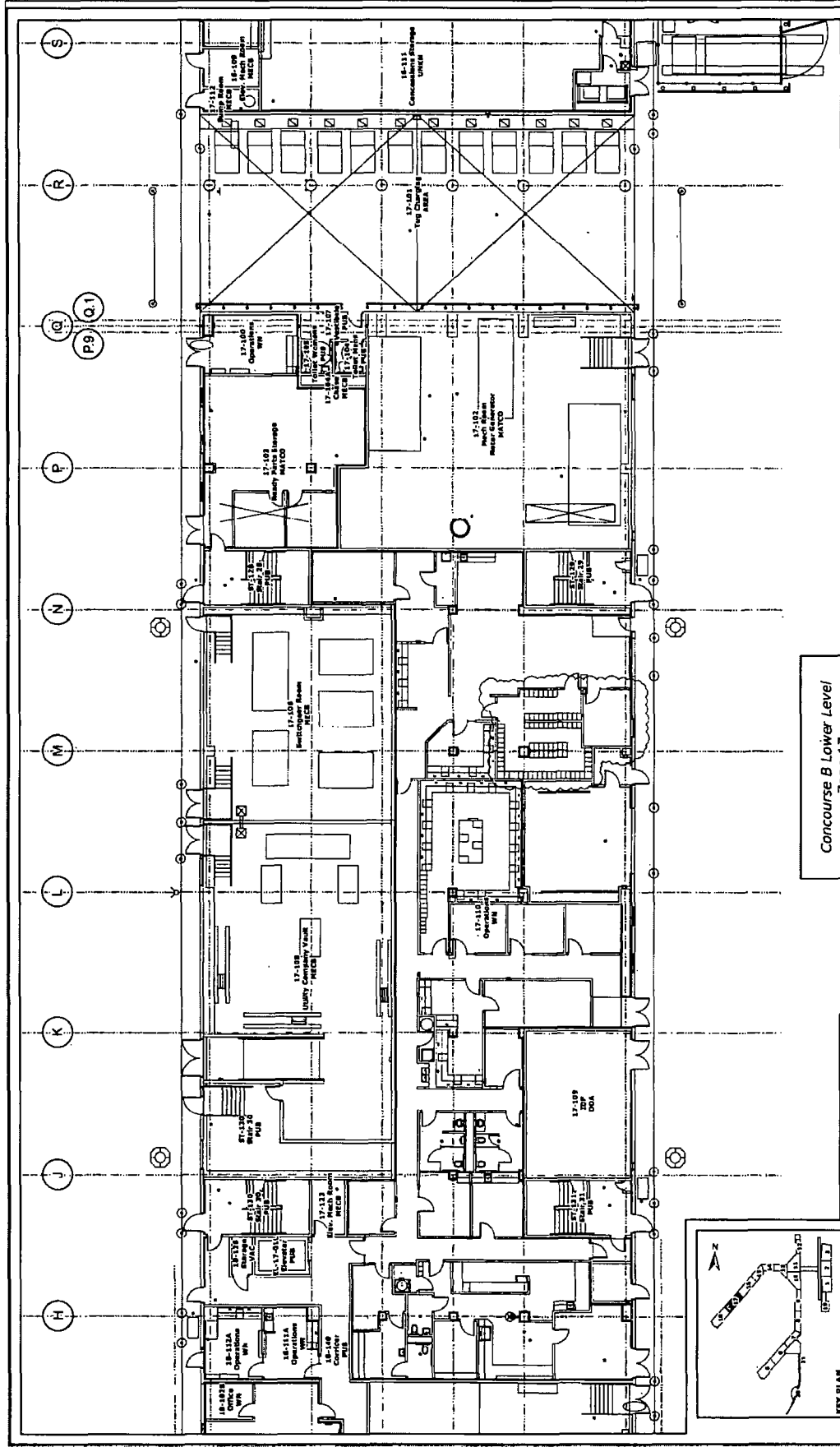
AREA IN SQUARE FT: 2,740.4

City of Chicago  
Department of Aviation  
Mayor

Chicago Midway International Airport



File No. MATCO 110.13 C.A. 110.13  
REV. 08/13/2013



AREA IN SQUARE FT: 2,907.2

Concourse B Lower Level  
Zone 17

Proj. No. DATE 05/19/2012  
Rev. No. MATCO 17 CL 1/10/12

Scale: 1"=20'

Exhibit  
**A-5**

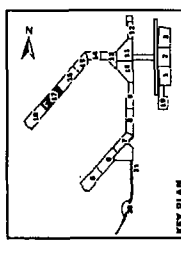
**MATCO - Areas Responsible for Maintenance of Joint-Use Premises**



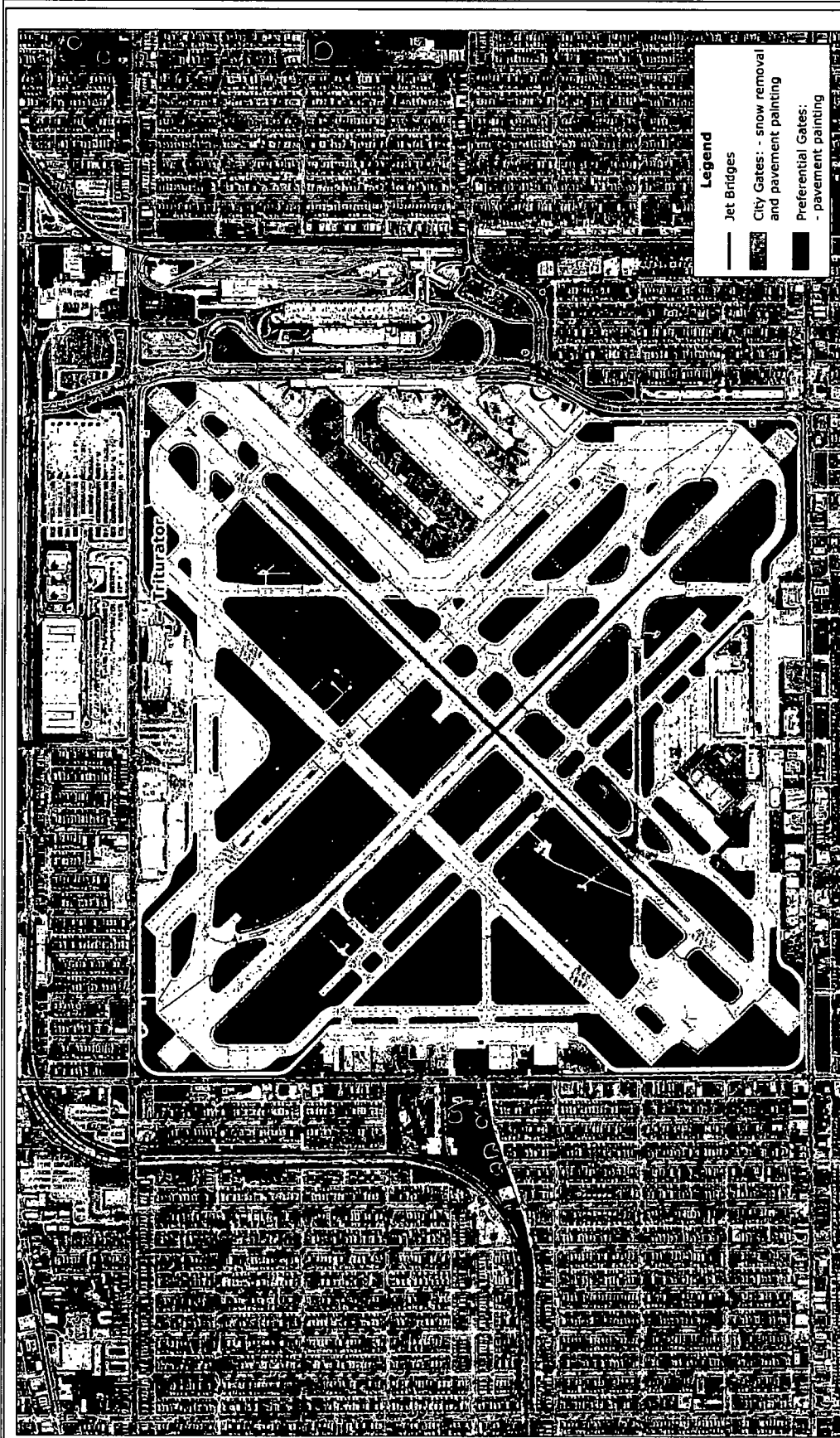
City of Chicago  
Rahm Emanuel  
Mayor

Chicago Midway  
International Airport

Department  
of Aviation







**Legend**

- Jet Bridges
- City Gates: - snow removal and pavement painting
- Preferential Gates: - pavement painting

Map Date: 06/11/2012  
 Map File: MATCO\_maintenance\_A.mxd

Exhibit  
**A-6**

Scale: 1"=750'

**MATCO - Airfield Facility and Terminal Ramp Area  
 Maintenance Responsibilities**



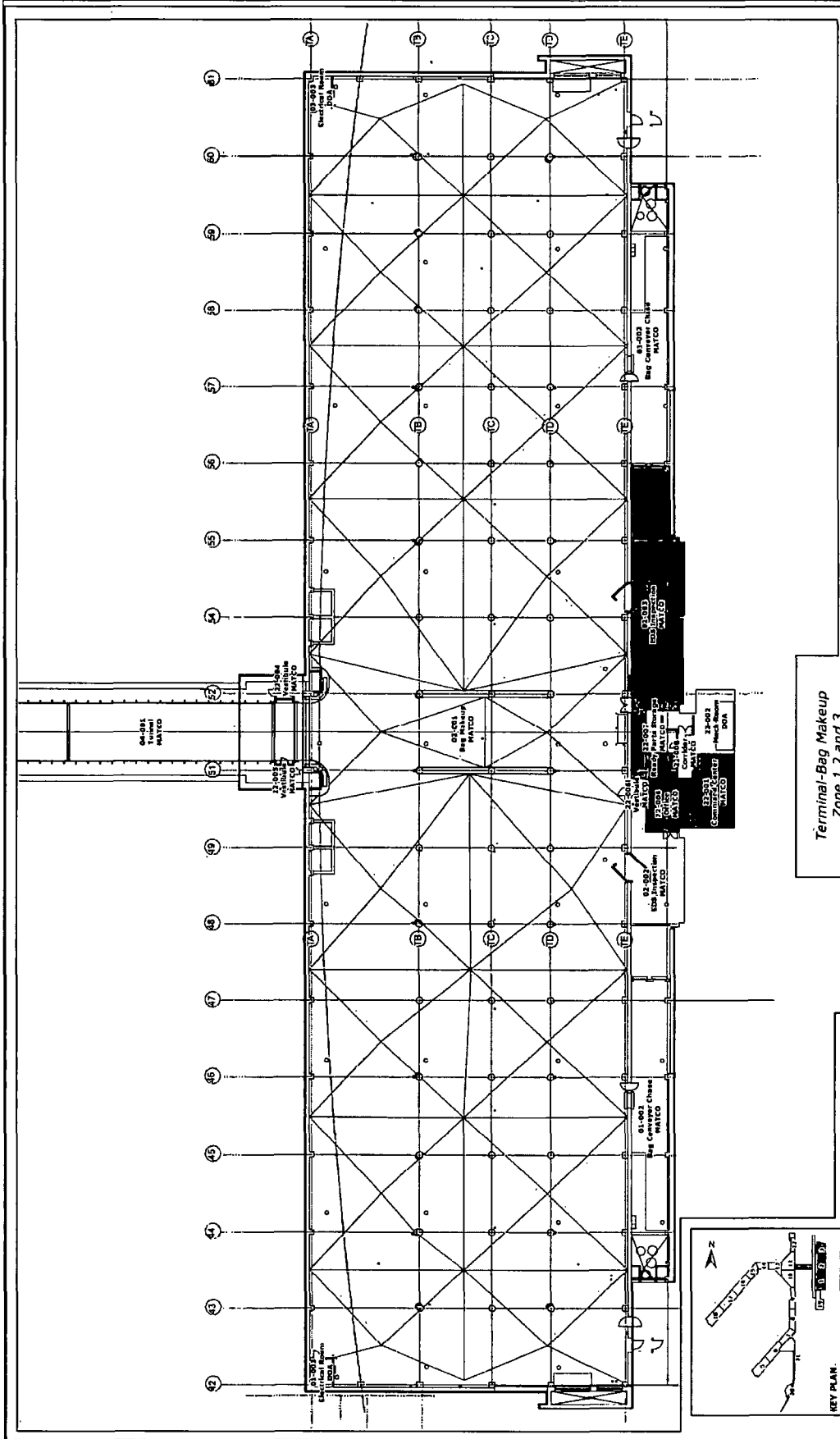
City of Chicago  
 Rahm Emanuel  
 Mayor

Department  
 of Aviation

Chicago Midway  
 International Airport

**EXHIBIT B**

**MATCO OPERATIONS AREAS**



NOV 2003  
 MATCO

AREA IN SQUARE FT. 3,323.6

Terminal-Bag Makeup  
 Zone 1, 2 and 3

Chicago Midway  
 International Airport

City of Chicago  
 Rahm Emanuel  
 Mayor

Department  
 of Aviation

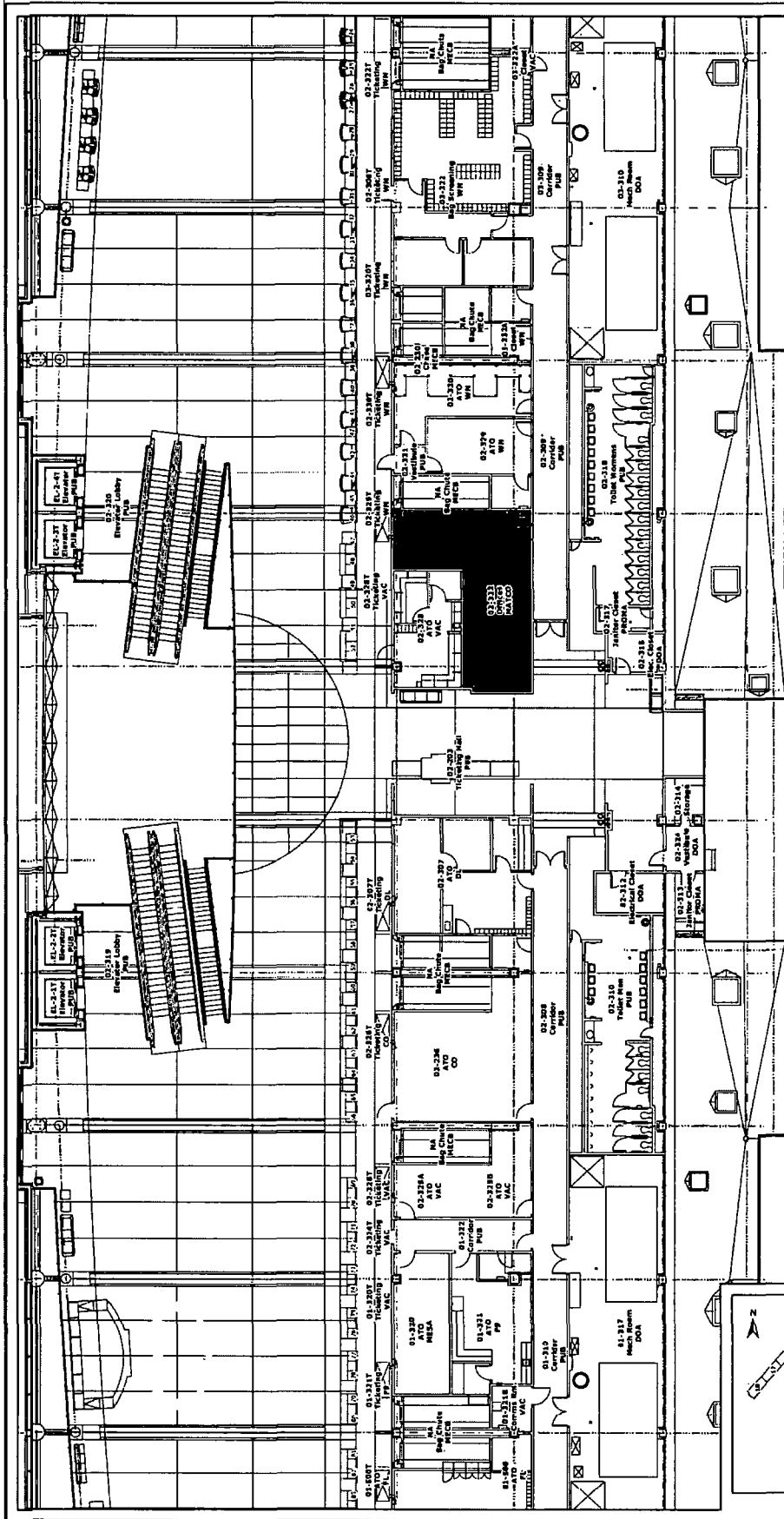
SAUCERS  
 GDA  
 CONSULTANTS

LEB

MATCO - Occupied Space

Scale: 1"=40'

Exhibit  
 B-1



Terminal Ticketing Level  
Zone 2

NO DATE 02/28/2012  
REV FOR MATCO PART 11 Final

EXHIBIT  
B-2

Scale: 1"=20'

MATCO - Occupied Space

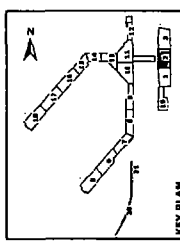


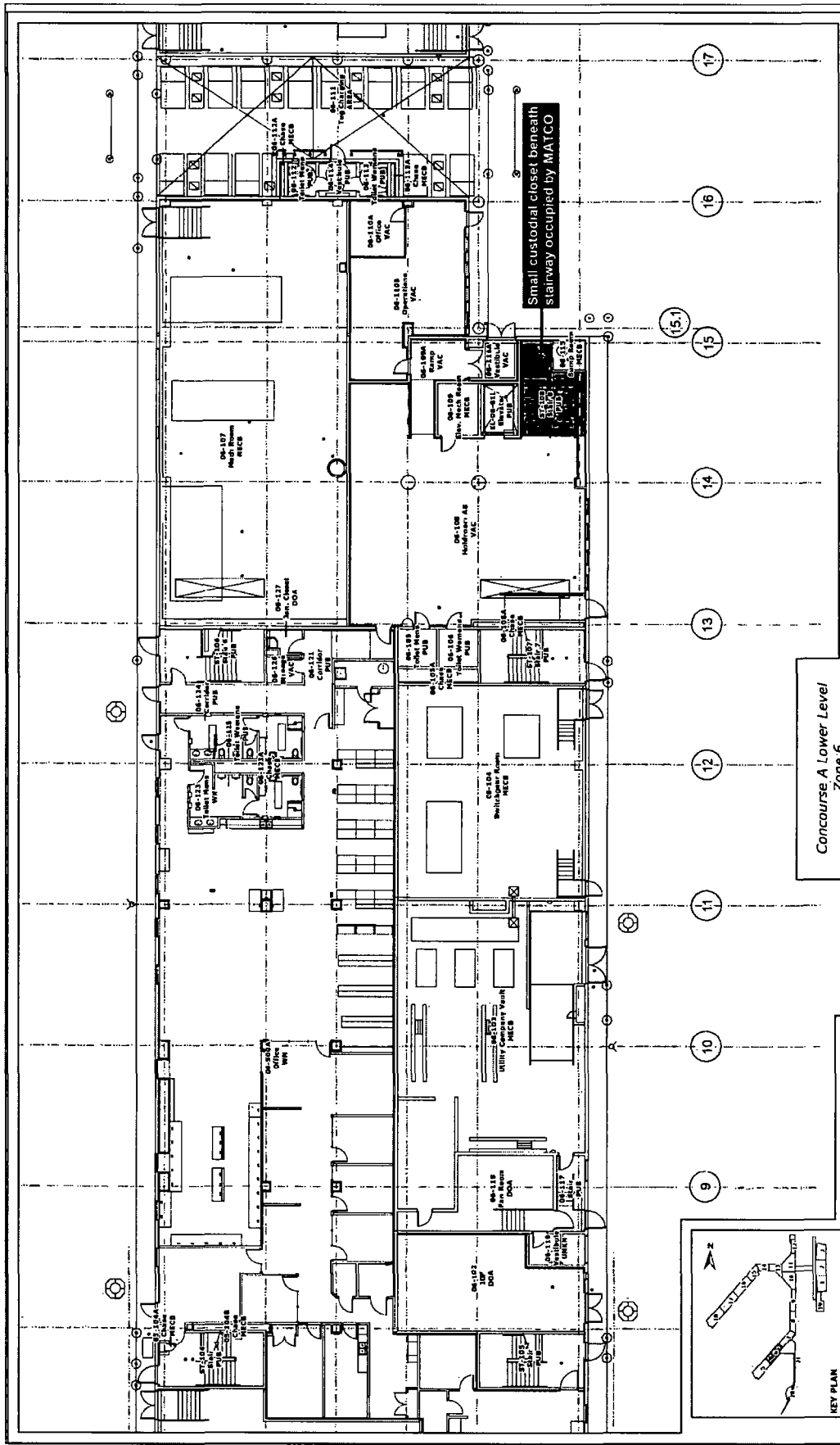
AREA IN SQUARE FT: 754.9

City of Chicago  
Rehm Emanuel  
Mayor

Department  
of Aviation

Chicago Midway  
International Airport





Small custodial closet beneath stairway occupied by MATCO

Concourse A Lower Level  
Zone 6

NO DATE: 06/15/2012  
PROJECT: MATCO-06 C.L. 3.mxd

Exhibit  
**B-3**

Scale: 1"=20'

**MATCO - Occupied Space**

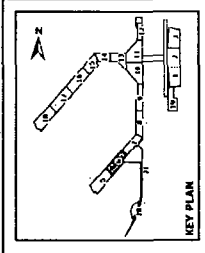


City of Chicago  
Rahm Emanuel  
Mayor

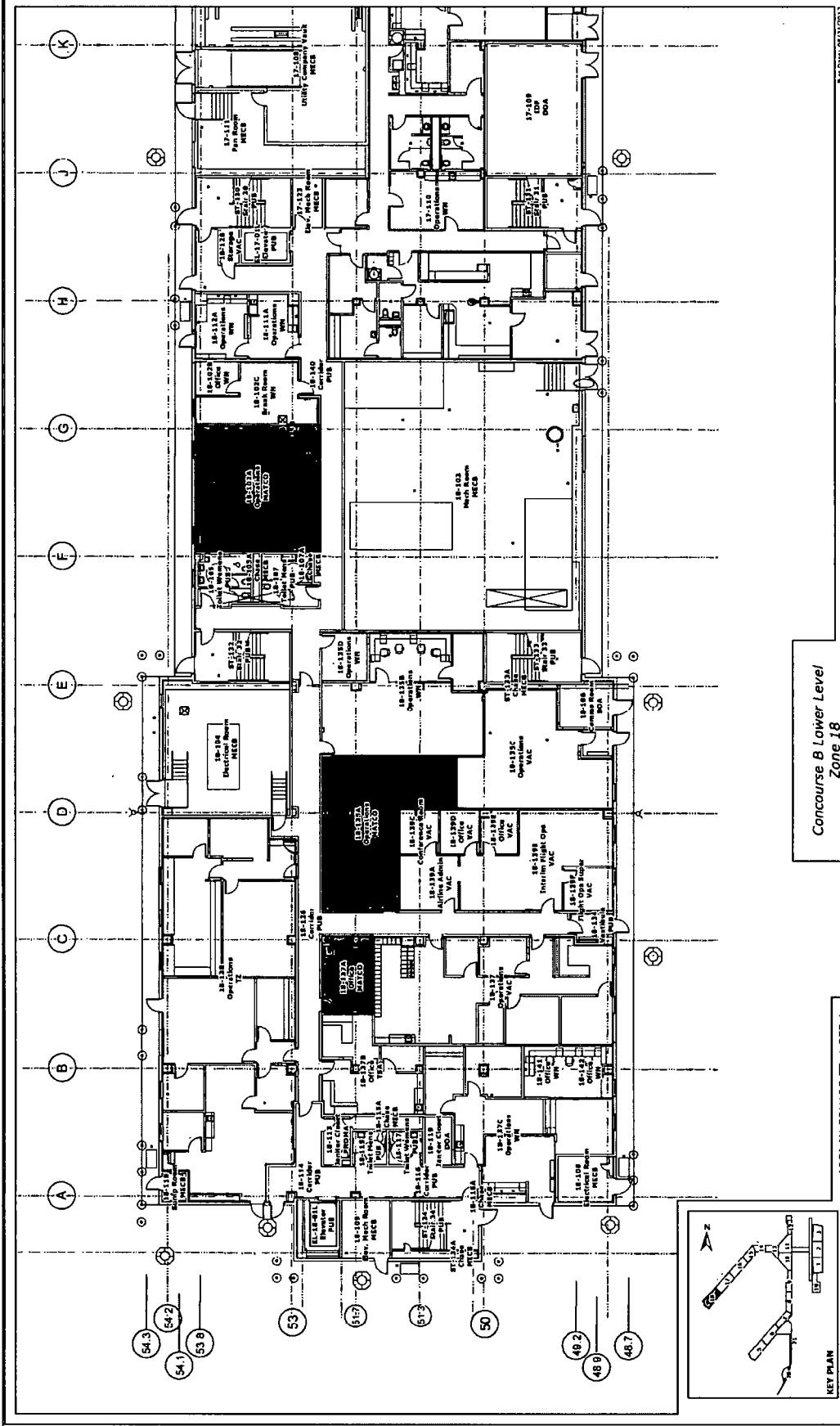
Department  
of Aviation

Chicago Midway  
International Airport

AREA IN SQUARE FT: 243.4



KEY PLAN



AREA IN SQUARE FT: 1,952.1

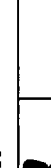
Concourse B Lower Level/  
Zone 18

Chicago Midway  
International Airport

City of Chicago  
Rahm Emanuel  
Mayor

Department  
of Aviation

CDPA  
CHICAGO  
DEPARTMENT OF AVIATION

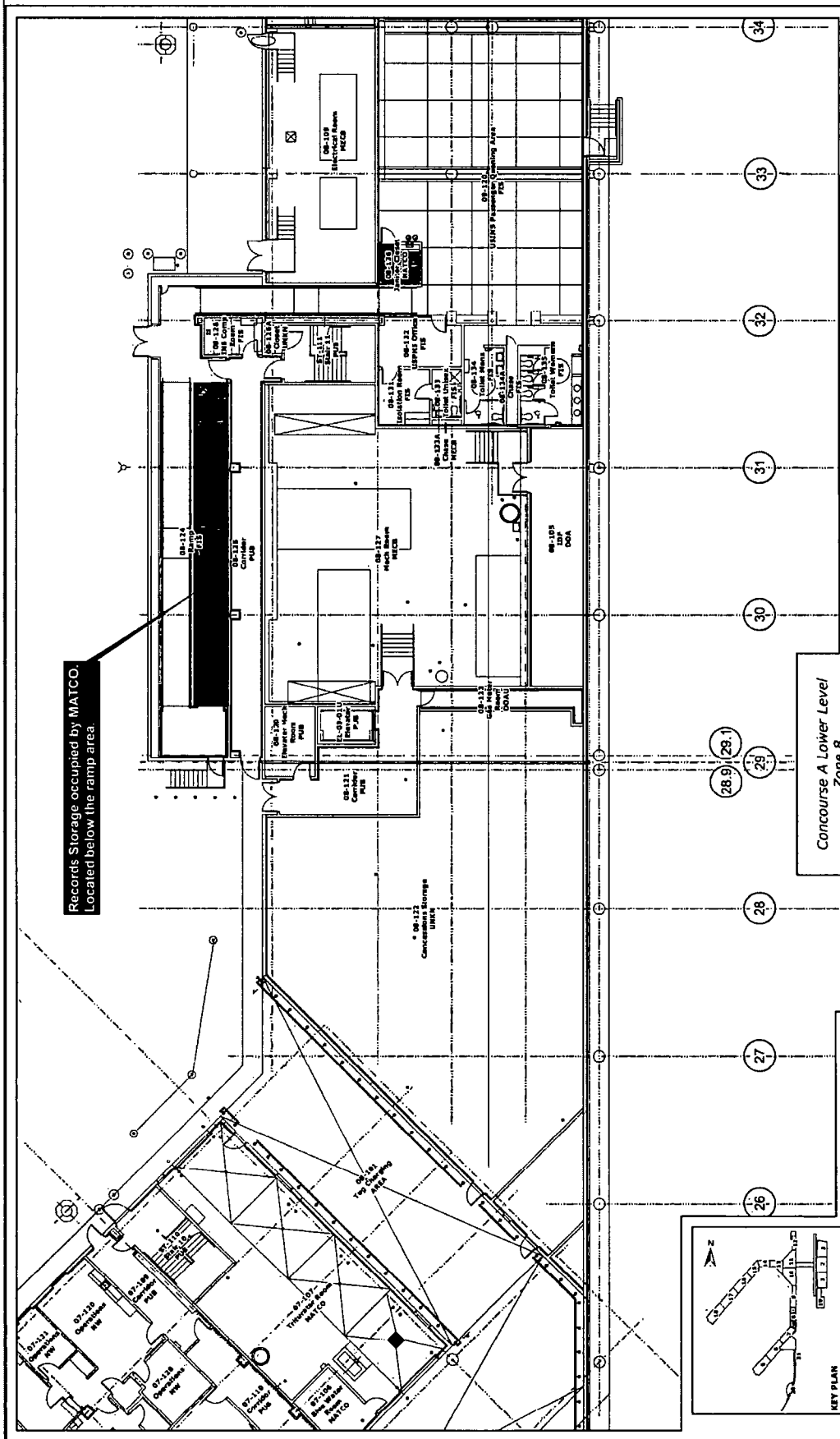


MATCO - Occupied Space

Scale: 1"=20'

Exhibit  
B-4

Key Plan



Records Storage occupied by MATCO.  
Located below the ramp area.

Concourse A Lower Level  
Zone 8

AREA IN SQUARE FT: 728.8

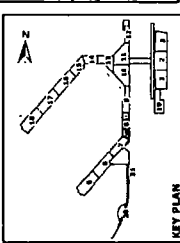


EXHIBIT  
B-5

Scale: 1"=20'

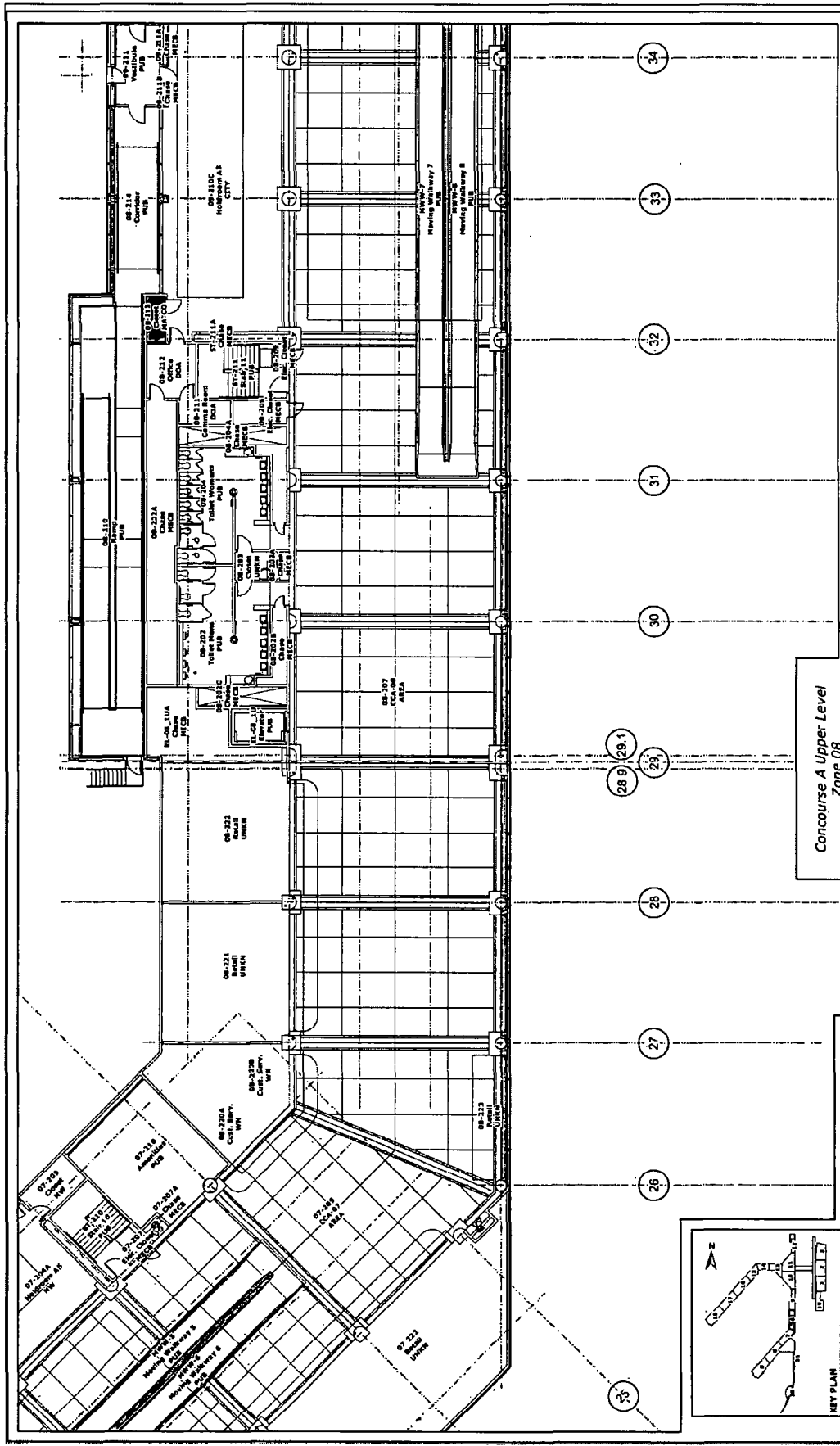
MATCO - Occupied Space



City of Chicago  
Rahm Emanuel  
Mayor  
Department  
of Aviation

Chicago Midway  
International Airport

Rev Date: 08/19/07  
Rev File: MATCO FOR C.L. 1.mxd



Concourse A Upper Level  
Zone 08

REVISED: 08/11/2012  
PROJECT: MATCO FOR CO. 3, INC.

Scale: 1"=20'

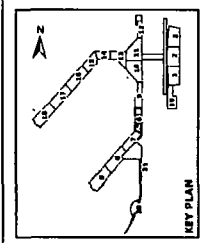
Exhibit  
B-6

MATCO - Occupied Space

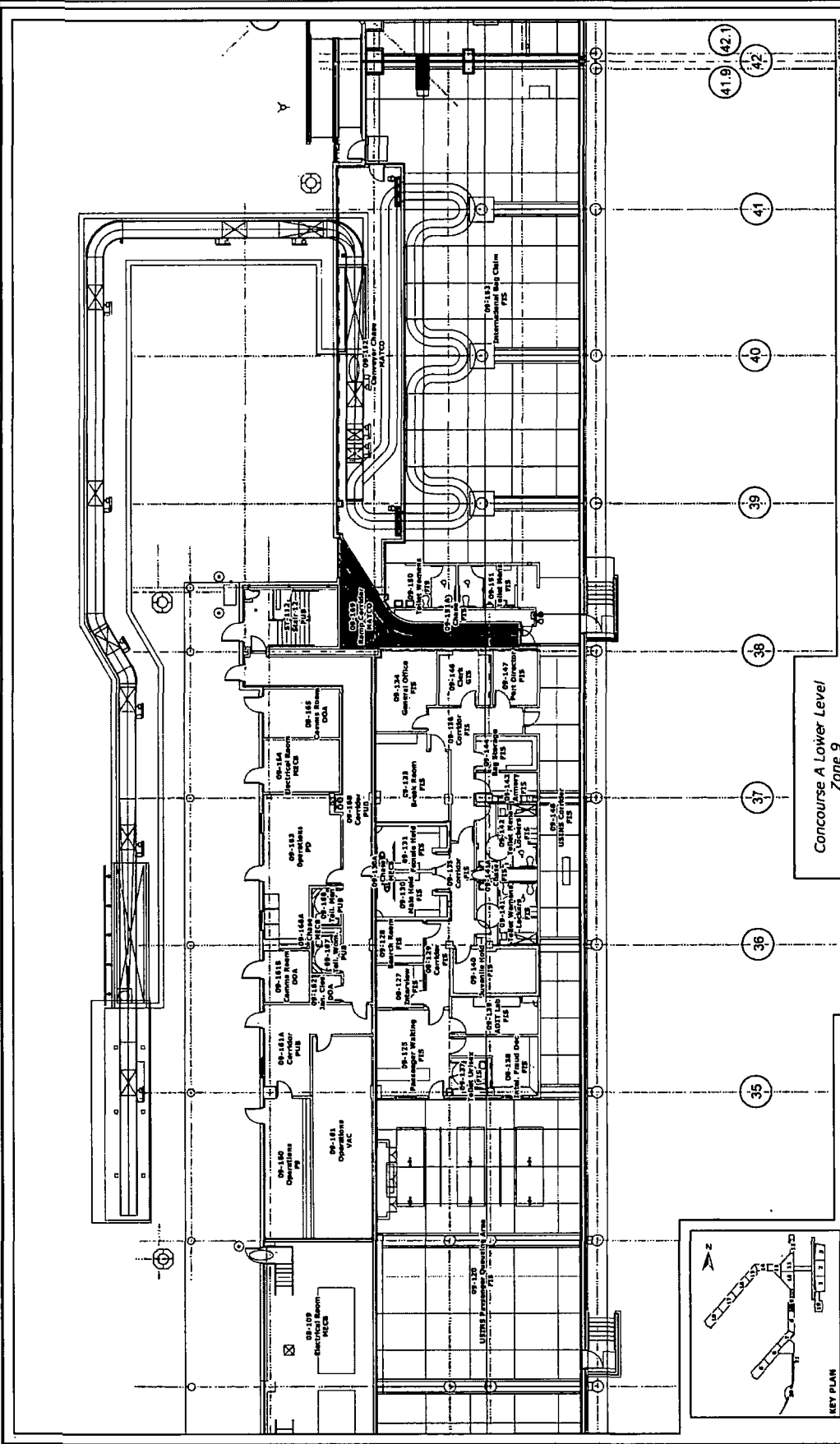


AREA IN SQUARE FT: 45.3  
Department of Aviation  
Chicago Midway International Airport

Chicago Midway International Airport  
City of Chicago  
Rahm Emanuel  
Mayor







AREA IN SQUARE FT: 292.7

Concourse A Lower Level  
Zone 9

Scale: 1" = 20'

Exhibit  
B-7

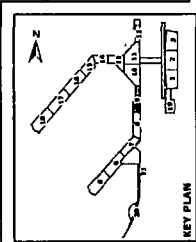
MATCO - Occupied Space



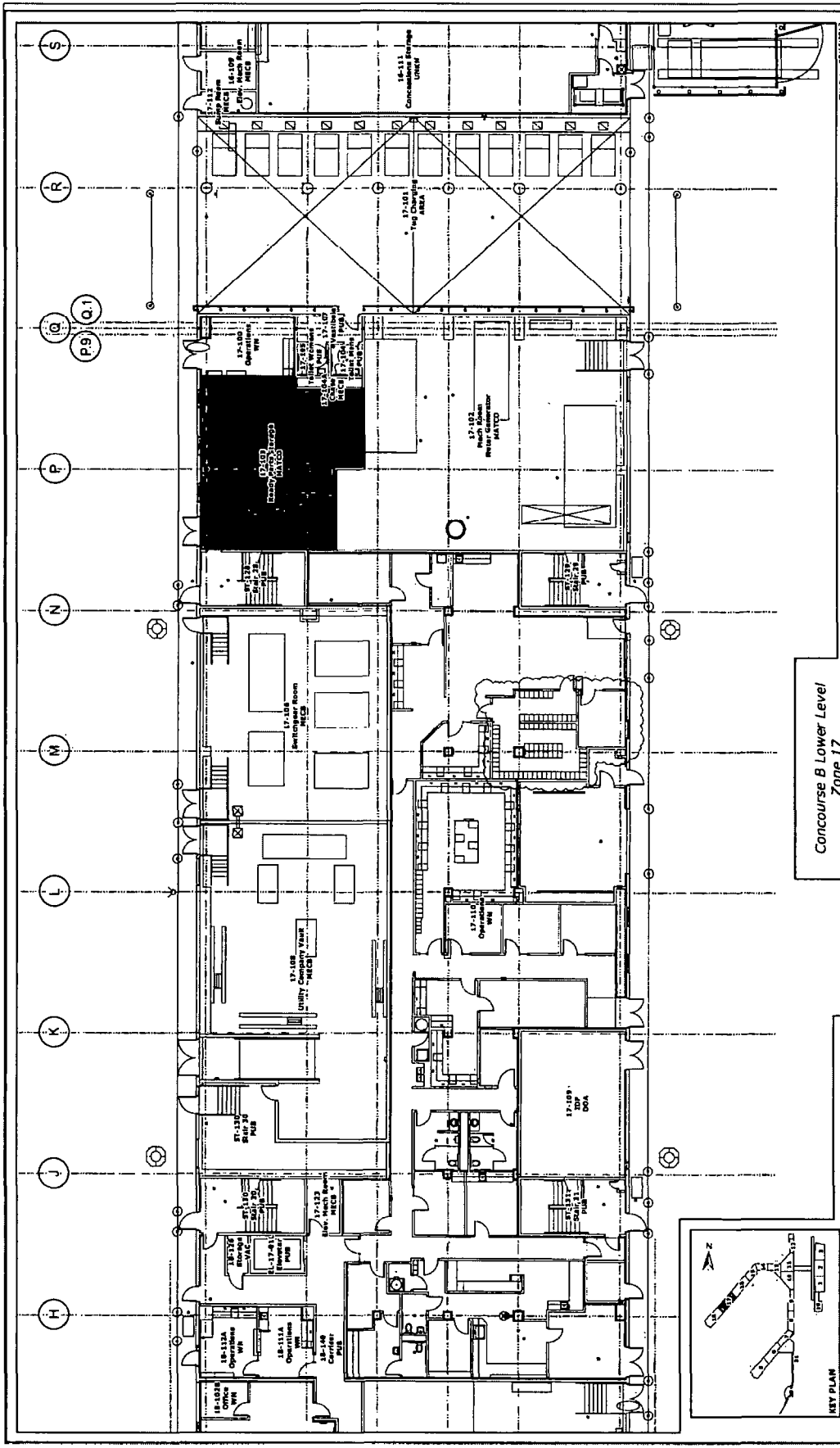
City of Chicago  
Department  
of Aviation

Chicago Midway  
International Airport

City of Chicago  
Rahm Emanuel  
Mayor

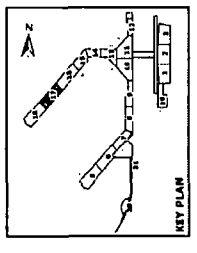


KEY PLAN



Concourse B Lower Level  
Zone 17

AREA IN SQUARE FT: 1,147.0



Rev. Date: 08/19/2012  
Per File: MATCO 17 CL 3.mxd

Exhibit  
**B-8**

Scale: 1"=20'

**MATCO - Occupied Space**



Chicago  
Department  
of Aviation

Chicago Midway  
International Airport  
City of Chicago  
Rahm Emanuel  
Mayor



## EXHIBIT C

### MATCO EQUIPMENT

#### Baggage System

The baggage system consists of an outbound baggage sortation system and an inbound baggage claim system. The outbound baggage sortation system provides a series of conveyors which transfer departing passenger bags, packages, parcels, and other such items from the ticket counters onto baggage makeup devices located in the basement level outbound baggage makeup area. Each ticket counter group has a dedicated input belt to a common baggage makeup area. The inbound baggage claim system consists of eight (8) claim devices at ground level of the terminal building with dedicated input and feed conveyors, and two (2) oversize inbound belts; one serving the north side and one serving the south side of the claim area.

#### Passenger Loading Bridges

Passenger loading bridges are moveable multi-tunnel devices which allow passenger access between holdroom areas and aircraft. A loading bridge is provided to serve each jet aircraft position (jet aircraft must have 75 seats or more) that is immediately adjacent to the terminal. Each loading bridge requires a caisson type of foundation, electrical power for operation and an upper level access door at each holdroom.

#### Preconditioned Air System

This system provides heating or cooling access at passenger loading bridge from a central heating/refrigerating plant. The system includes heat exchangers, pumps, chillers, piping, valves, air handling units, flexible ducting, temperature controls, insulation and system status monitoring. The preconditioned air system coupled with the 400 Hz ground power system described below enables aircraft heating or cooling and operation of the aircraft electrical system without use of the auxiliary power unit (APU).

#### Ground Power (400 Hz) System

This system provides 400 Hz power (aircraft power) access at passenger loading bridge from one of two central generating plants in the terminal. The system includes motor generator sets, conduit and cabling to each loading bridge, disconnect switches, exterior cabling with aircraft jacks cable hoists and system status monitoring devices.

#### Potable Water

Potable water filling stations are provided to serve each pair of aircraft parking positions. These stations, which consist of heated housings, piping, valves, and hoses, provide domestic water to the aircraft.

### Security Checkpoint Equipment

Security screening devices are provided to comply with current airline, FAA, and airport security requirements for passenger processing.

### Flight Information Display System (FIDS) Baggage Information Display System (BIDS)

These systems provide flight departure, arrival, and baggage claim information for all airlines operating at the airport to the public and operations personnel. The system consists of computer processor, conduit, cabling, video monitors, LEDS, and input stations. The system, which displays the information on video monitors, will meet ADA requirements and should be accessible either from a central control area or the inbound baggage drop-off area.

### GSE Battery Charging

Battery charging stations are provided in several locations on the apron level and basement level bag make-up. These charging stations are used to recharge batteries on battery powered ground service equipment.

### Ramp Striping

Temporary and permanent pavement striping of the ramp within the Service Road for aircraft parking and ground service equipment.

### Other MATCO Equipment

In addition to the above, it may be determined during the course of design and construction of the New Terminal that other types of equipment and systems may be required as part of the new Terminal project for safe and efficient operation of the facility.

### Holdroom Seating

Provide seating in all holdrooms in the concourse area.

### Contractor Controlled Insurance Program (CCIP)

### MATCO Offices

This provides for the buildout of MATCO's Executive Director office in the Terminal which is approximately 1,000 sq. ft. located on the apron level. The allowance includes, MEP systems, architectural finishes, millwork, furniture, communications equipment, and computer and office equipment.

## **EXHIBIT D**

### **FUEL SYSTEM**

A fuel receipt, storage and distribution facility on the north side of 55th Street, including required utilities, oil/water separator, storm water run-off control systems, lighting, pavement, security fencing, foam fire system, fire safety equipment, and other items/systems necessary to comply with, industry, federal, state, local, and City of Chicago requirements. Fuel storage will be provided via two API-650 above ground tanks with a nominal capacity of 9,000 barrels each erected within a secondary concrete fuel retention system. The fuel system will incorporate the necessary pumps, filters, meters, piping, valves; and controls necessary to receive, transfer, and recirculate fuel along with required electrical power, system controls, leak detection systems, inventory control systems, and cathodic protection.

Also included is a building of approximately 1,500 square feet to house electrical equipment, system controls, mechanical equipment, fire protection equipment, and space for the facility operator.

Fuel transmission and distribution will be provided via an eight inch diameter underground pipe approximately 4,800 feet long routed through the airfield to a remote concourse apron loading position with an additional 3,300 feet of six inch diameter underground pipe routed to the remote jet fuel FBO/Corporate loading position located at the southeast quadrant of the Airport. Both remote refueler positions will include required utilities, oil/water separators, storm ran-off controls, lighting, pavement, meters, valves, piping, controls, connectors, and an UV/IR fire detection system.

A fuel unloading area will be developed adjacent to the fuel storage area with vehicular access from 55th Street with facilities necessary to accommodate the unloading of over-the-road transport trucks.

Also included in the project scope is the repair/modification/upgrade of existing underground fuel storage tanks to comply with the USEPA underground storage tank requirements which become effective on December 22, 1998. Only those tanks which are necessary to provide adequate commercial and general aviation jet fuel storage at the Airport are to be modified. Once the new fuel receipt, storage and distribution facility is operational, the existing underground storage tanks will be removed.

## **EXHIBIT E**

### **MEMBERS OF MATCO**

1. AirTran Airways
2. Continental Airlines
3. Delta Air Lines
4. Frontier Airlines
5. Northwest Airlines
6. Southwest Airlines

## EXHIBIT F

### REQUIRED PROVISIONS FOR CONTRACTS FOR WORK AND OPERATIONS AND MAINTENANCE SERVICES

In addition to such other requirements as may be set forth in the Agreement and any other exhibit thereto, MATCO shall be required to include provisions in substantially the same form as set forth below in its contracts for work or services.

MATCO shall comply and shall include in all of its MATCO contracts a requirement that its MATCO Contractors comply with all applicable Federal, State, and local laws, codes, regulations, ordinances, executive orders, rules, and orders. MATCO agrees that all of the provisions set forth in this Exhibit will be incorporated in all MATCO contracts. Further, MATCO shall execute and shall include in all of its MATCO contracts a requirement that its Contractors execute such affidavits and certifications as shall be required by the City. Such certifications shall be attached and incorporated by reference in the applicable MATCO contracts. In the event that any Contractor is a partnership or joint venture, the MATCO shall also include provisions in its Contract insuring that the entities comprising such partnership or joint venture shall be jointly and severally liable for its obligations thereunder.

1. Non Discrimination

a. General Requirements:

It shall be an unlawful employment practice for the MATCO to fail to hire, to refuse to hire, to discharge, or to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap, or national origin; or to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, age, handicap, or national origin.

MATCO shall comply with The Civil Rights Act of 1964, 42 U.S.C. Sec. 2000 et seq. (1981), as amended. MATCO shall further comply with Executive Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000(e) note, as amended by Executive Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Executive Order No. 12,086, 43 Fed. Reg. 46,501 (1978); the Age Discrimination Act, 42 U.S.C. Sec. 6101-6106 (1981); the Rehabilitation Act of 1973, 29 U.S.C. Sec. 793-794 (1981); the Americans with Disabilities Act, P.L. 101-336; 41 C.F.R. Part 60 et seq. (1990); Air Carriers Access Act, 49 U.S.C.A. 1374; and, FAA Circular No. 150/5100 15A.

b. State Requirements:

MATCO shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., as amended; the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 et seq., as amended; and the Environmental Barriers Act, 410 ILCS 25/1 et seq.



c. City Requirements:

MATCO shall comply with the Chicago Human Rights Bond Ordinance, Chapter 2 160, Section 2 160-010 et seq. of the Municipal Code, as amended.

Further, the MATCO shall furnish such reports and information as requested by the Chicago Commission of Human Relations.

2. Equal Employment Opportunity

In the event of the MATCO's non compliance with the provisions of this Equal Employment Opportunity Clause, the Illinois Human Rights Act, or the Rules and Regulations of the Illinois Department of Human Rights (the "Department"), MATCO may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this Agreement, MATCO agrees as follows:

a. That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

b. That, if it hires additional employees in order to perform this Agreement, it will determine the availability (in accordance with the Department's Rules) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.

c. That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service.

d. That it will send to each labor organization or representative of workers with which it has or is bound by collective bargaining or other agreements, a notice advising such labor organization or representative of its obligation under the Illinois Human Rights Act and the Department's Rules. If any such labor organization or representative fail or refuse to cooperate with it in its efforts to comply with such Act and Rules, it will promptly so notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations thereunder.

e. That it will submit reports as required by the Department's Rules, furnish all relevant information as may from time to time be reasonably requested by the Department of the City, and in all respects comply with the Illinois Human Rights Act and the Department's Rules.

f. That it will permit access to all relevant books, records, accounts, and work sites by personnel of the City and the Department for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules.

g. That it will include, verbatim or by reference, the provisions of this Section 2 in every contract for Work that it awards under which any portion of the obligations are undertaken or assumed, so that such provisions will be binding upon such Contractor. In the same manner as with other provisions of this Agreement, MATCO will be liable for compliance with applicable provisions of this clause by its Contractors; and further it will promptly notify the City and the Department in the event any Contractors fails or refuses to comply therewith. In addition, MATCO will not utilize any Contractors declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivision or municipal corporations.

### 3. Safety and Security

a. MATCO expressly acknowledges its responsibility to provide security at the Airport in accordance with 14 CFR Part 107, "Airport Security," as such may be amended from time to time, and with all rules and regulations of the City concerning security procedures, including the Airport's approved security program. MATCO expressly acknowledges its responsibility to provide security with respect to airplane operations in accordance with 14 CFR Part 108, "Airplane Operation Security," as such may be amended from time to time, and with the Rules and Regulations of the City concerning security procedures, including the Airport's approved security program.

b. MATCO shall insure that the following provision is inserted in all contracts entered into with any Contractors and any labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with the Agreement:

"This Agreement is expressly subject to the Aviation Security Improvement Act of 1990 (P.L. 101-604) ("Act"), the provisions of which are hereby incorporated by reference, including without limitation sections 105, 109, and 110, and to the rules and regulations promulgated thereunder. In the event that MATCO or any individual employed by MATCO, in the performance of this Agreement has (i) unescorted access to aircraft located on or at the Airport; (ii) unescorted access to secured areas; or (iii) capability to allow others to have unescorted access to such aircraft or secured area, MATCO shall be subject to, and further shall conduct with respect to its Contractors and their respective employees, such employment investigations, including criminal history record checks, as the Administrator of the Federal Aviation Administration and City may deem necessary. Further, in the event this Agreement involves the construction, reconstruction, demolition or alteration of facilities to be located at or on the Airport, MATCO shall, notwithstanding anything contained herein, at no cost to City, perform all obligations hereunder in compliance with those guidelines developed by City and the Federal Aviation Administration, and in effect as of the Effective Date with the

objective of maximum security enhancement. In the event the Agreement involves the design of facilities or equipment, the drawings, plans, and specifications to be provided under the agreement shall comply with those guidelines developed by City and the Federal Aviation Administration and in effect at the time of the submit of such drawings, plans, and specifications.”

4. Americans with Disabilities Act

MATCO shall insure that the appropriate provision set forth below is inserted in all contracts entered into with any design professional or with any Contractors and any labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with this Agreement:

a. Design:

“The Consultant warrants that all design documents produced for MATCO under this Agreement shall comply with all Federal, State and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P.L. 101 336 (1990) and the Uniform Federal Accessibility Standards (“UFAS”) or the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (“ADAAG”); and the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., and the regulations promulgated thereto at 71 Ill. Adm. Code Ch. 1, Sec. 400.110. In the event that the above cited standards are inconsistent, the Consultant shall comply with the standards providing greater accessibility.”

b. Contracts for Work:

“All construction or alteration undertaken by Contractor under this contract shall be performed in compliance with all Federal, State and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P.L. 101-336 (1990) and the Uniform Federal Accessibility Standards (“UFAS”) or the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (“ADAAG”); and, the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., and the regulations promulgated thereto at 71 Ill. Adm. Code Ch. 1, Sec. 400.110. The Contractor shall, prior to construction, review the plans and specifications and notify the MATCO and the City in the event that the plans and specifications are not in compliance with the above referenced standards.”

5. Minority and Women Business Enterprises

MATCO shall provide for the participation of Minority and Women Business Enterprises and in any Project it performs under this Agreement. To this end, MATCO shall establish a policy for the utilization of Minority and Women Business Enterprises, a liaison with the Department of Aviation and Department of Procurement Services for Minority and Women Business Enterprises,

a goal for the award of MATCO contracts, and a reporting procedure agreeable to the MATCO and the City.

a. Policy:

The following statement represents MATCO's policy regarding Equal Opportunity and a Minority and Women Business Enterprises program:

“MATCO is committed to providing fair and representative opportunities for minorities and women and Minority and Women Business Enterprises in its Work. Neither MATCO nor its Contractors shall discriminate on the basis of race, color, religion, sex or national origin in the award and performance of Contracts to be utilized for any of the Work hereunder. Furthermore, affirmative action will be taken, consistent with sound procurement policies and applicable law, to ensure that Minority and Women Business Enterprises are afforded a fair and representative opportunity to participate in Contracts awarded by MATCO.”

This policy shall be stated in all MATCO contracts, circulated to all employees of MATCO in affected departments, and make known to minority and women entrepreneurs.

b. Liaison:

To ensure compliance and the successful management of MATCO's Minority and Women Business Enterprises program, MATCO shall establish a Minority and Women Business Enterprises liaison with the Department of Aviation and with the Department of Procurement Services. Further, all personnel of MATCO and all others with responsibilities in the supervision of MATCO contracts for the MATCO are to see that actions are performed consistent with the affirmative action goals of this Agreement.

c. Goals:

The goals to be met by MATCO in the Project hereunder shall be with utilization of Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) certified by the City of Chicago, subject to the availability of MBE and WBE capable of performing the Work. These goals shall be administered in a manner to assure City and MATCO that: (i) the Work shall be completed at a reasonable and acceptable cost to MATCO; (ii) the Work shall be completed on a reasonable and acceptable timetable to MATCO and City; and (iii) the quality of the Work shall be reasonable and acceptable to MATCO and City.

The goals of the MATCO for participation by Minority and Women Business Enterprises (MBE and WBE) in the Project shall be to achieve a minimum of MBE participation of twenty five percent (25%) and WBE participation of five percent (5%), based on the total contracted expenditures for the Project.

Should MATCO determine that no MBE and WBE is capable or available to perform the Project, it shall notify the Commissioner specifying the type of Work required and the reasons an MBE and/or WBE is not available to perform such Work. MATCO shall also notify the

Department of Procurement Services, which shall determine if any MBE and WBE are available to perform the Work needed. If the Department of Procurement Services determines that MBEs and WBEs are available to perform such Work, it shall notify the MATCO of such availability and MATCO will be required to utilize such MBE and WBE to the extent the goals set forth above can be met.

d. Eligibility:

Only those persons, firms, partnerships, corporations or other legal entities certified by the City of Chicago as a certified MBE and/or WBE shall be eligible for purposes of meeting the goals established by this Agreement.

e. Reporting:

The Minority and Women Business Enterprises progress report required by this section shall be made on forms or on a format established by City and agreeable to MATCO. Such reports shall include the following items:

i. the total amount of prime and subcontract awards during the quarter and, for any Project awards to Minority and Women Business Enterprises resulting therefrom, the name of the Minority and Women Business Enterprises and the amount of the Contract with the Minority and Women Business Enterprises;

ii. the cumulative value of all prime and subcontract awards to date, and the total accumulation of all awards to Minority and Women Business Enterprises;

iii. a projection of the total amount of prime and subcontracts to be awarded and of Minority and Women Business Enterprises Contracts to be awarded during the next quarter;

iv. all Minority and Women Business Enterprises subcontracts that have been completed and for which final payment has been made during the quarter; and

v. an evaluation of the overall progress to date towards the Minority and Women Business Enterprises goals for the Work.

6. Equal Employment Opportunity and Affirmative Action Plan

MATCO must commit to establish, maintain and implement a written Equal Employment Opportunity and Affirmative Action Plan (the "EEO/AA Plan") for that Work involving Project construction, which plan is acceptable to City and MATCO.

The EEO/AA Plan will be considered in relation to the following goals for employment of women and minorities:

a. Minority Employment:

- i. 25% of skilled hours
  - ii. 40% of laborer hours
- b. Women's Employment:
  - i. 7% of skilled hours
  - ii. 10% of laborer hours

7. Employment of City Residents

MATCO agrees to ensure that in the aggregated hours of Project involving construction work to be performed, at least 50% of the on site worker hours in the category of construction laborers and at least 50% of the on site worker hours in the category of skilled construction trade workers shall be residents of the City.

8. Reporting and Compliance

In the event that there are contracts subject to this Agreement, at quarterly intervals, beginning ninety (90) days following the execution of this Agreement, MATCO shall submit to City progress reports of forms or on a format established by the Department of Procurement Services and agreeable to MATCO, that provide required information concerning MATCO compliance with MATCO's MBE/WBE requirements, EEO and Affirmative Action Plan, and Chicago First Hiring Program.

9. Non Responsible Bidder

Prior to awarding any MATCO contracts, MATCO shall provide City with the names of vendors who may be awarded such contracts. City shall promptly notify MATCO if a potential vendor appears on the City's list of non responsible bidders. MATCO agrees that no MATCO contracts shall be awarded to persons or corporations identified on City's list of non responsible bidders, so long as such list does not discriminate against any bidders because of race, religion, age, handicap, color, sex, national original, citizenship or political affiliation.

## EXHIBIT C

### CHICAGO MIDWAY INTERNATIONAL AIRPORT

#### LICENSE FOR THE USE OF CITY-CONTROLLED FACILITIES BY AIRLINES

This City-controlled facilities license agreement ("License") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, ("Effective Date") by and between the City of Chicago, acting through its Chicago Department of Aviation ("City"), and \_\_\_\_\_ ("Airline").

#### RECITALS

**WHEREAS**, City operates an airport known as Chicago Midway International Airport ("Airport"), and possesses the power and authority to lease premises and facilities and to grant other rights and privileges with respect thereto; and

**WHEREAS**, Airline desires to use certain City-controlled space and/or equipment at the Airport that has not been leased to other parties, more specifically identified on Exhibit 1 which is attached hereto and hereby incorporated by reference ("Facilities"), in order to conduct operations related to its air transportation business at the Airport; and

**WHEREAS**, City is willing to permit the use of the Facilities, solely for use by Airline for its air transportation business at the Airport, subject to certain terms and conditions set forth in this License;

**NOW, THEREFORE**, in consideration of the promises and of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

#### **Article I Incorporation of Recitals**

##### 1.01 Incorporation of Recitals

The recitals set forth above are incorporated by reference as if fully set forth herein.

#### **Article II Facilities**

##### 2.01 Use of Facilities

City hereby grants, and Airline hereby accepts, a License for the use of the Facilities, subject to the terms and conditions of this License, and to all applicable federal, state, and local laws, regulations, rules, codes, ordinances, and executive orders, solely to conduct operations directly related to its air transportation business and for no other

purpose. The use of the Facilities by the Airline shall be further subject to those policies, procedures and schedules for shared use of Airport facilities established by the Commissioner of the Chicago Department of Aviation ("Commissioner") in her or his sole discretion. This License shall not be construed to grant Airline the right to use the Facilities for any purpose which would have been prohibited under the terms and conditions of the Chicago Midway Airport Use Agreement and Facilities Lease authorized by ordinance passed by the City Council of the City of Chicago on \_\_\_\_\_ ("Use Agreement"). Unless Exhibit 1 expressly states that this License is exclusive to Airline with respect to any portion of the Facilities, this License is **not** exclusive and the City may allow other airlines to use the Facilities when not in use by Airline.

## 2.02 Access

Airline shall have ready and convenient access to the Facilities, subject to the rules, regulations, policies, procedures and schedules of the Airport, including, but not limited to, the security and safety rules of the FAA, the TSA and City. The License is subject to a reservation of rights by City for access to the Facilities for maintenance, repair, and inspection. City shall give Airline reasonable notice prior to its exercise of such right.

## 2.03 Relocation

If at any time before the termination, by expiration or otherwise, of this License, City desires to relocate Airline to other facilities at the Airport, such relocation shall be at the expense of Airline. City shall give notice to Airline of City's intent to relocate Airline thirty (30) days prior to the effective date of the relocation. Such notice shall include a description of the new facilities and the effective date of such relocation. The terms and conditions of this License shall apply to the new facilities after such relocation and Exhibit 1 hereto may be revised by the City to show the relocated facilities without need for a formal amendment to this License.

## 2.04 Present Condition of the Facilities

Airline, by the execution of this License, accepts the Facilities in an "as-is" condition. City makes no warranty, either express or implied, as to the condition of the Facilities or that the Facilities will be suitable for Airline's purposes or needs.

## 2.05 Modifications to Facilities

(a) Subject to the prior written approval of the Commissioner, Airline may, from time to time, install equipment and improvements and modify or expand existing facilities or improvements (collectively, "Work") to that portion of the Facilities to which it has been granted exclusive use, if any. Any such Work in non-exclusive Facilities is further subject to written concurrence by other airlines using those Facilities. Before entering into any contract for such Work, Airline shall first submit to the Commissioner for prior written approval a construction application together with complete plans and specifications of the proposed Work. If requested by the Commissioner, Airline shall require the contractor to furnish a performance bond and payment bond, approved as to form and substance by the



Commissioner. The approval of the construction application and plans and specifications will not be unreasonably withheld. Airline shall reimburse the Commissioner for the cost of any professional services needed in connection with the review of the construction plan, promptly upon demand thereof.

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

(c) All Work performed by Airline or its contractor(s), including all workmanship and materials, shall be of acceptable quality and shall be performed in accordance with the plans and specifications approved by the Commissioner. Such Work may be inspected by the Commissioner, or the authorized representative of the Commissioner, at any time. Airline shall reimburse the Commissioner for the reasonable costs of such inspection, promptly upon demand therefor.

(d) Airline shall deliver to the Commissioner "as built" drawings of the Work performed by it and shall keep such drawings current, showing any changes or modifications made in or to the Facilities.

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

(f) Airline shall keep the Facilities and the equipment and improvements situated thereon free and clear of any and all liens in any way arising out of the construction, improvement, or use of the Facilities by Airline; provided, however, that Airline may in good faith contest the validity of any lien.

## 2.06 Utilities

Airline shall be responsible for payment of all cost of separately metered electricity, natural gas, telephone service, or other utility services in connection with its use of the Facilities.

## 2.07 Taxes, Licenses, and Permits

Airline shall pay all taxes and obtain all necessary licenses, inspections, permits, certificates or other authorizations needed in connection with its use of the Facilities.

## 2.08 Operations

Airline shall be responsible for any and all charges incurred in connection with its operations. Airline shall further restore and replace any property of Airport or other airlines using the Facilities damaged as a result of Airline's operations. Airline shall conduct its operations in a clean, sanitary, and safe manner, and shall be responsible for any maintenance which is a result of Airline's operations.

## 2.09 Non-assignment

This License is personal and is granted solely to Airline and solely for the purposes stated herein. Airline shall not assign this License to any other party without the written consent of the Commissioner. Any attempted assignment without such consent shall be void and without effect as to the City.

## **Article III Duration of License**

### 3.01 Duration of License

Airline understands and agrees that the property interest established by this License is a license, and not a lease, as that term is defined by applicable law, and that the License is revocable at will by the Commissioner, with or without cause, provided the Commissioner first gives Airline thirty (30) days written notice in accordance with the terms and conditions hereof. In the event Airline no longer possesses the necessary licenses, permits, or other authorizations in connection with the use of the Facilities, or its air transportation business, the Commissioner may revoke this License upon ten (10) days notice. Unless extended in writing by the Commissioner and Airline, this License will expire upon the third anniversary of the Effective Date.

### 3.02 Vacation of Facilities

In the event Airline intends to cease operations at the Airport and discontinue use of the Facilities, Airline shall provide City with written notice no less than thirty (30) days prior to its vacation of the Facilities. This License shall terminate upon the expiration of such 30 days; provided, however, that Airline's indemnification obligation shall survive with respect to any claims that arise in connection with its use of the Facilities.

### 3.03 Return of Facilities

(a) Airline covenants and agrees to yield and deliver peaceably to City possession of the Facilities on the date of the termination, by expiration or otherwise, of this License, promptly and in as good condition as at the issuance of the License, reasonable wear and tear excepted or, if improved, in as good condition as of the completion date of the last improvement made to the Facilities, reasonable wear and tear excepted.

(b) The personal property owned and placed or installed by Airline in, on or about the Facilities shall remain the property of Airline and must be removed on or before the termination, by expiration or otherwise, of the License, at the Airline's sole risk and expense. Any damage to the Airport, the structure, the Facilities, or any fixtures or improvements located therein, resulting from such removal shall be paid for by Airline. Upon the termination, by expiration or otherwise, of this License, Airline shall have thirty (30) days during which to remove such property; provided, however, City shall have the right to assert such lien or liens against said property as City may by law be permitted. So long as any such property remains in the Facilities, Airline's obligation to pay any fees shall continue with respect to the Facilities.

(c) If Airline's property is not removed as herein provided, Airline shall be deemed to have waived its rights, if any, under the Forcible Entry and Detainer Act, 735 ILCS 5/9-101, and City may, at its option, deem such property abandoned and keep such property or, after written notice to Airline and at Airline's sole risk and expense, remove such property to a public warehouse for deposit, or retain the same in City's possession and after the expiration of thirty (30) days sell the same, with notice and in accordance with applicable law, the proceeds of which shall be applied first to the expenses of such removal and sale, second to any sum owed by Airline to City, and any balance remaining shall be paid to Airline.

## **Article IV Payment of License Fees**

4.01 Basis of Payment. To the extent that the Facilities include each of the following, Airline shall pay the License fees applicable to each:

(a) Administrative office or ticket counter space. The License fee is calculated by multiplying the amount of square footage comprising such Facilities by 125% of the then current terminal rental rate charged by City to signatory airlines to the Use Agreement. If such Facilities are used on a non-exclusive basis, this fee will be prorated based upon comparative usage by the various airlines using the Facilities

(b) Common use holdrooms, gates and jet bridges. Airline shall pay City a fee for their use based on the current "per turn" rate established by City.

(c) Other City-controlled equipment. Airline shall pay City for the use of any City-controlled equipment (other than jet bridges) located in the Facilities on a cost recovery

basis. The City's calculation of the rates required to recover cost will be based on the projected useful life of the equipment and the estimated usage by the various airlines using the equipment. Airline is responsible for making its own arrangements with MATCO for use of any equipment controlled by MATCO.

#### 4.02 Place of Payment and Late Fees

(a) All amounts due from Airline hereunder shall be paid to City at the Office of the City's Comptroller – Enterprise Funds or at such other place as may be hereafter designated by the City's Comptroller.

(b) Any amount which is not paid within five (5) days of when due shall bear interest from its due date at a rate of 10% per annum.

(c) Airline shall not abate, suspend, postpone, set-off, or discontinue any payments of fees payable hereunder during the term of this License without the express written consent of the Commissioner.

#### 4.03 Security Deposit

Airline shall provide the City a security deposit equivalent to 60 days of estimated fees. Such security deposit may be in the form of cash or an irrevocable letter of credit.

### **Article V Indemnity and Insurance**

#### 5.01 Indemnity

Airline agrees to indemnify, defend, save, and hold City fully harmless from and against all liabilities, losses, suits, claims, judgments, fines, or demands of every kind and nature (including all reasonable costs for investigation, reasonable attorneys' fees, court costs, and expert's fees) arising from, related to, or caused by Airline's use of, or occupancy of, the Facilities or operations at the Airport; provided, however, that Airline shall not be liable solely and to the extent that any injury, damage or loss is caused by the gross negligence of City, its agents, officials, or employees.

#### 5.02 Insurance

Airline agrees to provide insurance coverage equivalent to that required of airlines which are signatories to the Use Agreement.

### **Article VI Compliance**

#### 6.01 Compliance with all Laws

Airline shall observe and comply with, and shall cause its contractor(s) to observe and comply with, and pay all taxes and obtain all licenses, certificates, and other authorizations required by, all applicable Federal, state, county, and municipal laws,

statutes, ordinances, and executive orders, including, but not limited to, those set forth below. Airline agrees to make a part of and incorporate into this License, by reference or by setting forth at length, at the option of the City, any and all statutes, rules and regulations required pursuant thereto which may now or hereafter be required by any Federal, state, county, and municipal agency. Further, Airline shall execute, and shall cause its contractor(s) to execute, an Economic Disclosure Statement and Affidavit in the form attached hereto as **Exhibit 3**.

Notwithstanding anything herein to the contrary, references herein to a statute or law shall be deemed to be a reference to (i) such statute or law as may be amended from time to time; (ii) all regulations and rules, pertaining to or promulgated pursuant to such statute or law; and (iii) all future statutes, laws, regulations, rules, and executive orders pertaining to the same or similar subject matter.

**a. Nondiscrimination**

(1) Federal Requirements

This License involves the use of or access to space on, over or under real property acquired or improved under federal aid programs of the Federal Aviation Administration, and, therefore, involves activity which serves the public. The Airline, for itself, its personal representative, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; or (ii) that no person on the ground of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (iii) that Airline shall use the Facilities in compliance with all other requirements imposed by or pursuant to regulations of the United States Department of Transportation.

The Airline further agrees to furnish services in the United States in compliance with Federal law and on a fair and not unjustly discriminatory basis, including prices for each unit of service; provided, that the Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions.

It shall be an unlawful employment practice for Airline (i) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap/disability, or national origin; or (ii) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment

opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, age, handicap/disability, or national origin.

Airline shall comply with The Civil Rights Act of 1964, 42 U.S.C. sec. 2000 et seq. (1981), as amended and the Civil Rights Act of 1991, P.L.102-166. Attention is called to: Exec. Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000(e) note, as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. sec. 6101-6106 (1981); Rehabilitation Act of 1973, 29 U.S.C. sec. 793-794 (1981); Americans with Disabilities Act, 42 U.S.C.; and 41 C.F.R. Part 60 et seq. (1990).

(2) State Requirements

Airline shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., as amended and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity Clause, 5 Ill. Admin. Code §750 Appendix A. Furthermore, Airline shall comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 et seq., as amended.

(3) Municipal Code Requirements

Airline shall comply with the Chicago Human Rights Ordinance, ch. 2-160, section 2-160-010 et seq. of the Chicago Municipal Code, as amended. Further, Airline shall furnish and shall cause its contractor(s) to furnish such reports and information as requested by the Chicago Commission on Human Relations.

**(b) Ethics**

Airline warrants that no officer, agent or employee of City is employed by Airline or has a financial interest directly or indirectly in this License or the compensation to be paid hereunder, except as may be permitted in writing by the Board of Ethics established pursuant to be the Municipal Code of Chicago (Chapter 2-156); and that no payment, gratuity or offer of employment shall be made in connection with this License by or on behalf of any contractor or anyone associated therewith, as an inducement for the award of a subcontract or order; and Airline further acknowledges that any contract entered into, negotiated, or performed in violation of any of the provisions of Chapter 2-156 shall be voidable as to the City.

**(c) Ineligibility**

Airline warrants that Airline and, to the best of its knowledge, its contractors are not in violation of the provisions of Section 2-92-320 of Chapter 2-92 of the Municipal Code of Chicago, and in connection therewith, and additionally in connection with the Illinois Criminal Code, 720 ILCS 5/33E as amended, and the Illinois Municipal Code, 65 ILCS 5/11-42.1-1.

**(d) Inspector General**

Airline shall cooperate, and shall cause its contractors to cooperate, with the Inspector General and the Legislative Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 or Chapter 2-55 of the Municipal Code of Chicago.

**(e) MacBride Ordinance**

City, through the passage of the MacBride Principles Ordinance, seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provide a better working environment for all citizens in Northern Ireland. In accordance with Section 2-92-580 of the Municipal Code of Chicago, if Airline conducts any business operations in Northern Ireland, it is hereby required that Airline shall make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

**(f) Anti-Scofflaw**

- (1) In accordance with Section 2-92-380 of the Municipal Code of Chicago and in addition to any other rights and remedies (including any of set-off) available to the City under the License or permitted at law or in equity, the City shall be entitled to set off a portion of any amounts due Airline hereunder in an amount equal to the amount of the fines and penalties for each outstanding parking violation complaint and/or the amount of any debt owed by Airline to the City. For purposes of this section, "outstanding parking violation complaint" means a parking ticket, notice of parking violation or parking violation complaint on which no payment has been made or appearance filed in the Circuit Court of Cook County within the time specified on the complaint. "Debt" means a specified sum of money owed to the City for which the period granted for payment has expired.
- (2) Notwithstanding the provisions of subsection 1 above, no such Debt or outstanding parking violation complaint shall be offset from the compensation hereunder if one or more of the following conditions are met:

- (i) Airline has entered into an agreement with the Department of Revenue, or other appropriate department, for the payment of all outstanding parking violation complaints and/or debts owed to the City and Airline is in compliance with the agreement; or
- (ii) Airline is contesting liability for or the amount of the debt in a pending administrative or judicial proceeding; or
- (iii) Airline has filed a petition in bankruptcy and the debts owed the City are dischargeable in bankruptcy.

**(g) Security Act**

This License is expressly subject to the laws pertaining to airport security codified at 49 USC Chapter 449, the provisions of which are hereby incorporated by reference, and all rules and regulations promulgated thereunder ("Security Laws"). In the event that Airline, or any individual employed by Airline, has (i) unescorted access to aircraft located on or at the City's airports; (ii) unescorted access to secured areas; or (iii) capability to allow others to have unescorted access to such aircraft or secured areas, Airline shall be subject to, and further shall conduct with respect to its contractor(s) and the respective employees of each, such employment investigations, including criminal history record checks, as the FAA, the TSA and the City may deem necessary. Further, in the event of any threat to civil aviation, as defined in the Security Laws, Airline shall promptly report any information in accordance with those regulations promulgated by the FAA or TSA. Finally, in the event of any construction, reconstruction, demolition or alteration of the Facilities, the Airline shall cause such work to be performed in compliance with those guidelines developed by the FAA, the TSA and the City with the objective of maximum security enhancement.

**6.02 Compliance with all Rules and Regulations**

(a) Airline shall obey all Airport rules and regulations governing the conduct and operations of the Airport, promulgated from time to time by City, provided, however, that such Airport rules and regulations must not be inconsistent with the rules and regulations or orders of any Federal or State agency having jurisdiction over the Airport. Except in cases of emergency, no such rule or regulation shall be applicable to Airline unless it has been given fifteen (15) days prior written notice of the adoption thereof.



(b) Upon written request of Airline, City shall supply Airline with a copy of City's current Airport rules and regulations.

(c) Nothing herein shall be construed to prevent Airline from contesting in good faith any Airport rule or regulation without being in breach thereof, so long as such contest is diligently commenced and prosecuted by Airline.

### 6.03 Nondisturbance

Any operations by Airline or its contractor(s) shall be conducted in an orderly and proper manner and shall not otherwise annoy, disturb, create a hazard, or be offensive to others at the Airport, or interfere with other projects on, or the operations of, the Airport, both landside and airside. Airline shall promptly comply, and shall cause its contractor(s) to comply, with any request from the Commissioner to correct demeanor or conduct. In the event Airline or its contractor(s) fails to so comply, Commissioner shall have the right to stop any or all operations being performed, until such compliance is achieved, without terminating this License. City shall not be responsible for any expense resulting from such stopping.

## **Article VII Notices**

### 7.01 Notices

Any notice required pursuant to this License shall be mailed, telexed, telecopied or personally delivered to the respective parties at the following address:

IF TO CITY:           Commissioner  
                          Department of Aviation  
                          Chicago O'Hare International Airport  
                          P.O. Box 66142  
                          Chicago, Illinois 60666

IF TO AIRLINE:

Except as otherwise expressly provided hereunder, any notice or communication under this License shall be deemed to have been given or made: (a) if a messenger or courier service is used, when delivered to the addressee; (b) if sent by mail (certified or otherwise), five (5) days after being deposited in the mails, postage prepaid and properly addressed; and (c) if sent by telex or telecopy, the earlier of (i) actual receipt by addressee and (ii) twenty-four (24) hours after confirmation of transmission.

## **Article VIII General Conditions**

### 8.01 Applicable Law

This License shall be deemed to have been granted in, and shall be construed in accordance with, the laws of the State of Illinois.

#### 8.02 Severability

If any provisions of this License shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law, or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this License shall not effect the remaining portions of this License or any part thereof.

#### 8.03 Amendments

No changes, amendments, modifications, or discharge of this License, or any part thereof, shall be valid unless in writing and signed by the authorized agent of Airline and by the Commissioner or his respective successors and assigns.

#### 8.04 No Personal Liability

No official, employee, or agent of the City shall be charged personally by Airline, its officials, employees, agents, or contractors with any liability or expenses of defense or be held personally liable to them under any term or provision of this License, or because of the City's execution or attempted execution.

#### 8.05 Subordination

This License shall be subordinate to any and all (i) agreements between the City and the FAA or TSA and (ii) the Use Agreement. The Airline agrees that it shall not cause the City to violate any obligations of the City to the Federal government in connection with the granting of Federal funds, or in connection with its operation of the Airport.

#### 8.06 Entire Agreement

This License, and the exhibits attached hereto and incorporated hereby, shall constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this License that are not expressly addressed herein and therein.

## **Article IX Authority**

### **9.01 City's Authority**

This License is issued pursuant to an ordinance approved by City Council on \_\_\_\_\_, 2012. Nothing contained in this License shall be construed to grant or authorize the granting of an exclusive right to conduct an Air Transportation Business as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and the City reserves the right to grant others the privileges and rights of conducting any or all activities of an aeronautical nature.

### **9.02 Airline's Authority**

Execution of this License by Airline is authorized by corporate resolution or by-law, and the signature of each person signing on behalf of Airline have been made with complete and full authority to commit Airline to all terms and conditions of this License, including each and every representation, certification, and warranty contained herein, attached hereto and collectively incorporated by reference herein, or as may be required by the terms and conditions hereof.

### **9.03 Airline Airport License and Agreement**

Airline shall execute and comply with an "Airline Landing License" as a condition precedent to the granting of this License.

IN WITNESS WHEREOF, the parties have caused this License to be executed on the date first written above.

City:

Airline:

By: \_\_\_\_\_  
Commissioner  
Chicago Department of Aviation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form and legality:

Attest

Assistant Corporation Counsel

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Airline's Agent for Service of Process in Illinois:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## EXHIBIT D

### CHICAGO MIDWAY INTERNATIONAL AIRPORT

#### LANDING LICENSE

This Landing License ("License") is entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, between the City of Chicago, a municipal corporation and a home rule unit of local government under Sections 1 and 6 (a), respectively, of Article VII of the 1970 Constitution of the State of Illinois ("City"), acting through its Chicago Department of Aviation ("CDA") and \_\_\_\_\_, a corporation duly organized and existing under the laws of the \_\_\_\_\_ ("Airline").

In consideration of the mutual promises and covenants set forth herein, City and Airline agree as follows:

- Airport Use.** Subject to the terms and conditions set forth herein, City grants to Airline a nonexclusive right to use the runways and taxiways of Chicago Midway International Airport ("Airport") solely for the landing, taking off, flying over, taxiing, loading, and unloading of aircraft operated by Airline, and any functions incidental thereto. In furtherance thereof, Airline may be permitted to use such apron and ramp areas for loading and unloading as may be designated by the Commissioner of the CDA ("Commissioner"). This License shall not enlarge or diminish Airline's rights regarding any use of other airport facilities to which it may be entitled by virtue of other contractual relationships. If Airline has not executed a separate License for Use of City-controlled Facilities or is not a sub-tenant of an airline that is signatory to the Airport Use Agreement, Airline shall pay the then-current "per turn" rates and charges for the use of City-controlled Facilities.
- Term.** The term of the License shall be, for one calendar month, commencing on \_\_\_\_\_, and continuing for additional periods of one (1) calendar month each, not to exceed a total of three (3) years. The License is revocable at will by the Commissioner, with or without cause, provided the Commissioner first gives Airline thirty (30) days written notice in accordance with the terms and conditions hereof. Airline shall provide City with written notice no less than thirty (30) days prior to discontinuance of operations at the Airport.
- Fees and Charges.** In return for the use of the AOA and for the privileges granted herein, Airline agrees to pay City the then-current landing fee at the Airport and such other fees and charges at the Airport as may be applicable, without deduction or set off.

No additional charges shall be assessed in the event Airline's aircraft departs from the Airport for another destination, and the aircraft, without making a stop at some

other airport, is forced to return to and land at the Airport because of meteorological conditions, mechanical or operating causes, or for any similar emergency or precautionary reason.

4. **Monthly Activity Report.** Airline shall furnish to City on or before the 10th day of each month, in such form and detail as may be requested by the Commissioner, a true and accurate report of Airline's operations at the Airport during the preceding month, setting forth all data necessary to calculate the fees and charges due and owing the City. This report shall include, but shall not necessarily be limited to, Airline's total number of landings for the month by type of aircraft; the maximum gross certified landing weight of each aircraft; the total number of enplaning and deplaning passengers; and the amount of cargo, freight, and mail loaded and unloaded for such month. Airline shall certify the report and send it to the Commissioner in care of the Department of Aviation Finance Department, Chicago O'Hare International Airport, Aviation Administration Building, 10510 Zemke Road, Chicago IL 60666.
  
5. **Method Payment of Fees and Charges.** Following receipt of the monthly activity report, City shall transmit to Airline a statement of the fees and charges incurred by Airline during the reported month and the fees and charges shall be paid by Airline no more than fifteen (15) days after the date of the statement. Notwithstanding acceptance by City of any payment made by Airline, City shall have the right to question the accuracy of Airline's monthly activity report, and to audit Airline's records upon which such reports were based. Airline agrees to maintain original copies of all such reports and records sufficient to substantiate their accuracy for a minimum of three (3) years from the date of creation and to make them readily available at the Department of Aviation Finance, upon reasonable demand therefore by City.

If Airline fails to furnish City with the monthly activity report when due, Airline's landing fee shall be determined by assuming that the Airline's total landed weight for such month was 200% of its total landed weight for the highest reported month for which such data is available for Airline. Any necessary adjustment in such landing fee shall not be calculated by City until an accurate report is delivered to City by Airline. Resulting surpluses or deficits shall be applied as credits or charges to the statement issued for the next succeeding month.

Airline shall make all payments when due at the Office of the City Comptroller, Room 420, 333 S. State, Chicago, IL 60604-3976, or at such other place as may be designated by the Office of the City Comptroller.

6. **Rules and Regulations.** Airline shall comply with all applicable Federal, State, and local government laws, rules and regulations, including without limitation the rules, regulations, and ordinances of City, which are now or hereafter in effect.

7. **Indemnification.** Airline agrees to indemnify, defend, save, and hold City fully harmless from and against all liabilities, losses, suits, claims, judgments, fines, or demands of every kind and nature (including all reasonable costs for investigation, reasonable attorneys' fees, court costs, and expert's fees) arising from, related to, or caused by Airline's use of, or occupancy of, or operations at the Airport; provided, however, that Airline shall not be liable solely and to the extent any injury, damage or loss is caused by the gross negligence of City, its agents, officials, or employees.
8. **Non-Liability of City.** City shall not be liable for any acts or omissions of Airline, or its agents, servants, officials, employees, or independent contractors; or for any conditions resulting from the operations or activities of Airline, its agents, servants, employees, officials, or independent contractors; or for any loss or damage to any personal property or equipment of Airline, its agents, servants, employees, officials, or independent contractors.
9. **Insurance.** Airline shall, at its own expense, procure and keep in force at all times during the term of this License, or any renewal thereof, with a company acceptable to City, insurance with such coverages and limits as may be reasonably directed by the City's Risk Manager, but in no event less than that required by the guidelines issued by the Airport Council International ("ACI"). Airline shall cause City to be named as an additional insured on all such policies and shall furnish City's Risk Manager with proper certificate evidencing that such insurance is in force. At least thirty (30) days notice must be given to City prior to cancellation of or change in insurance coverage. City reserves the right to change the insurance requirements during the term of the License.
10. **Security.** Concurrent with the execution of this License, Airline shall deposit with the Comptroller of the City of Chicago ("Comptroller") security in such form and amount as may be reasonably requested by City to guarantee Airline's performance of its obligations hereunder.
11. **Delinquent Fees.** There shall be added to all sums due City by way of this License an interest charge of 1½% of the principal sum for each full calendar month of delinquency, or 18% per annum, computed as simple interest. No interest shall be charged upon that portion of any debt which, in good faith, is in dispute. No interest shall be charged upon any account until payment is thirty (30) days overdue, but interest shall be computed and assessed as of the original due date.
12. **Non-Discrimination Clause.** Airline for itself, its personal representatives, successors in interest, and assigns, does hereby covenant and agree:
  - (a) That no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of its facilities.

- (b) That in the construction of any improvements on, over, or under such facilities and the furnishing of services thereon, no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
  - (c) That Airline shall use the Airport in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Office of the Secretary, Part 21, Subtitle A, Nondiscrimination in Federally assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, as may be amended.
  - (d) That Airline shall furnish services on a fair, equal, and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable, and not unjustly discriminatory prices for each unit of service; provided that Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reduction to volume purchasers.
13. **Not Exclusive Right.** It is hereby agreed that nothing herein contained shall be construed to grant, or authorize the granting of, an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended, and City reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature.
14. **Notices.** Notices shall be in writing and shall be delivered personally or by registered mail, return receipt requested, to the following:

**City:**

Commissioner  
Department of Aviation  
Chicago O'Hare International Airport  
Aviation Administration Building  
10510 Zemke Road  
Chicago, IL 60666



**Airline:**

or such other place as either party shall in writing designate in the manner provided herein. Notices delivered personally shall be effective upon receipt. Notices delivered by mail shall be effective upon date of mailing.

15. **Operations.** Airline shall be responsible for any and all charges incurred in connection with its operations under this License. Airline shall further restore and replace any property damaged as a result of Airline's operations. Airline shall conduct its operations in a clean, sanitary, and safe manner, and be responsible for any maintenance which is a result of Airline's operations.
16. **Not Assignable.** This License is personal and is granted solely to the Airline identified herein and shall not be assigned to or assumed by any other party.
17. **Certifications.** Airline shall provide City with such proof that Airline is a validly licensed and certified aircraft operator, that Airline is authorized to do business and is in good standing in Illinois, and that Airline is fiscally sound, all as may be reasonably requested by City. Airline shall further complete such certificates as may be reasonably be requested by City in connection with the execution of public contracts or as may be required by law.
18. **Authority.** Execution by City is authorized by ordinance passed by the City Council of the City of Chicago on \_\_\_\_\_ 2012 (C.J.P., p. ). Execution by Airline is authorized by \_\_\_\_\_.
19. **Applicable Law.** This Agreement shall be deemed to have been made in, and shall be construed in accordance with, the laws of the State of Illinois.
20. **Prior Agreements.** This Agreement shall supersede all prior agreements between City and Airline.

IN WITNESS WHEREOF, the parties have caused this License to be executed on the date first written above.

Approved:

CITY

\_\_\_\_\_  
Commissioner  
Chicago Department of Aviation

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Assistant Corporation Counsel

AIRLINE

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Agent in Illinois for Service of  
Notice or Process:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SOUTHWEST AIRLINES CO.

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 2702 LOVE FIELD DRIVE  
DALLAS, TX 75235

C. Telephone: 214-792-4000 Fax: 214-792-4224 Email: bob.montgomery@wnco.com

D. Name of contact person: BOB MONTGOMERY

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

CHICAGO MIDWAY AIRPORT USE AND LEASE AGREEMENT

G. Which City agency or department is requesting this EDS? DEPARTMENT OF AVIATION

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
  - Publicly registered business corporation
  - Privately held business corporation
  - Sole proprietorship
  - General partnership
  - Limited partnership
  - Trust
  - Limited liability company
  - Limited liability partnership
  - Joint venture
  - Not-for-profit corporation
- (Is the not-for-profit corporation also a 501(c)(3))?
- Yes  No
- Other (please specify)
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

TEXAS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                | Title |
|---------------------|-------|
| <u>SEE ATTACHED</u> |       |
|                     |       |
|                     |       |
|                     |       |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

Section II B 1. Officers and Directors

Executive Officers

Gary C. Kelly Chairman of the Board, President and Chief Executive Officer

Robert E. Jordan Executive Vice President and Chief Commercial Officer  
President of Air Tran Airways

Jeff Lamb Executive Vice President and Chief People and Administrative Officer

Ron Ricks Executive Vice President and Chief Legal and Regulatory Officer

Michael G. Van De Ven Executive Vice President and Chief Operating Officer

Laura H. Wright Senior Vice President Finance and Chief Financial Officer

Dave Ridley Senior Vice President and Chief Marketing Officer

Directors

David W. Biegler

J. Veronica Biggins

Douglas H. Brooks

William H. Cunningham, PhD

John G. Denison

Gary C. Kelly

Nancy B. Loeffler

John T. Montford

Thomas M. Nealon

Daniel D. Villanueva

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name         | Business Address | Percentage Interest in the Disclosing Party |
|--------------|------------------|---|
| SEE ATTACHED |                  |   |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

ALDERMAN BURKE - SOUTHWEST USES KLAFTER & BURKE TO RESEARCH AND APPEAL PROPERTY TAX ASSESSMENTS IN CHICAGO

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Section II B 2. Person or Entity having in excess of a 7.5% interest in Southwest Airlines

1. Capital Research and Management Company

333 South Hope Street-55F

Los Angeles, CA 90071

Owns 12.51% interest in Southwest Airlines

2. PRIMECAP Management Company

225 South Lake Ave. Suite 400

Pasadena, CA 91101

Owns 10.75% interest in Southwest Airlines

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

NONE

---



---



---

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.



2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

---

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

\_\_\_\_\_  
*NONE*  
\_\_\_\_\_

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

\_\_\_\_\_  
*NONE*  
\_\_\_\_\_

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

\_\_\_\_\_  
*N/A*  
\_\_\_\_\_

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

\_\_\_\_ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

---

---

---

## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

NONE

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

## B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SOUTHWEST AIRLINES, CO.  
(Print or type name of Disclosing Party)

By: Bob Montgomery  
(Sign here)

BOB MONTGOMERY  
(Print or type name of person signing)

VP- AIRPORT AFFAIRS  
(Print or type title of person signing)

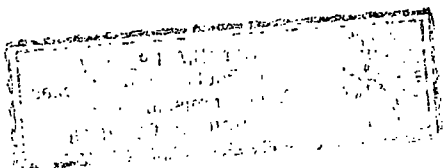
Signed and sworn to before me on (date) August 21,  
at Dallas County, Texas (state).

Cynthia J. Penley Notary Public.

Commission expires: 9-6-15.







**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any “Applicable Party” or any Spouse or Domestic Partner thereof currently has a “familial relationship” with any elected city official or department head. A “familial relationship” exists if, as of the date this EDS is signed, the Disclosing Party or any “Applicable Party” or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

“Applicable Party” means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. “Principal officers” means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any “Applicable Party” or any Spouse or Domestic Partner thereof currently have a “familial relationship” with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

**FORM ADV**

OMB: 3235-0049

**UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION**

|   |                                |
|---|--------------------------------|
| <b>Primary Business Name: CAPITAL RESEARCH AND MANAGEMENT COMPANY</b> | <b>IARD/CRD Number: 110885</b> |
| <b>Rev. 11/2011</b>   |                                |

**WARNING:** Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

**Item 1 Identifying Information**

Responses to this Item tell us who you are, where you are doing business, and how we can contact you.

- A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):  
**CAPITAL RESEARCH AND MANAGEMENT COMPANY**
- B. Name under which you primarily conduct your advisory business, if different from Item 1.A.:  
**CAPITAL RESEARCH AND MANAGEMENT COMPANY**
- List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.
- C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.), enter the new name and specify whether the name change is of  
 your legal name or  your primary business name:
- D. (1) If you are registered with the SEC as an Investment adviser, your SEC file number: **801-8055**  
(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:
- E. If you have a number ("CRD Number") assigned by the *FINRA's CRD* system or by the IARD system, your *CRD* number: **110885**
- If your firm does not have a *CRD* number, skip this Item 1.E. Do not provide the *CRD* number of one of your officers, employees, or affiliates.
- F. *Principal Office and Place of Business*
- (1) Address (do not use a P.O. Box):
- |   |                                    |
|---|------------------------------------|
| Number and Street 1:<br>333 S HOPE STREET | Number and Street 2:<br>55TH FLOOR |
| City:<br>LOS ANGELES                      | State:<br>California               |
|   | Country:<br>UNITED STATES          |
|   | ZIP+4/Postal Code:<br>90071        |
- If this address is a private residence, check this box:
- List on Section 1.F. of Schedule D any office, other than your *principal office and place of business*, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all

of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an *exempt reporting adviser*, list the largest five offices in terms of numbers of *employees*.

(2) Days of week that you normally conduct business at your *principal office and place of business*:

Monday - Friday  Other:

Normal business hours at this location:

9:00 A.M. - 5:00 P.M.

(3) Telephone number at this location:

213-486-9200

(4) Facsimile number at this location:

213-486-9041

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box:

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

Yes No

I. Do you have one or more websites?

If "yes," list all website addresses on Section 1.I. of Schedule D. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. Some advisers may need to list more than one portal address. Do not provide individual electronic mail (e-mail) addresses in response to this Item.

J. Provide the name and contact information of your Chief Compliance Officer: If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name:

Other titles, if any:

Telephone number:

Facsimile number:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name:

Titles:



**FORM ADV**

OMB: 3235-0049

**UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION****Primary Business Name: PRIMECAP MANAGEMENT CO****IARD/CRD Number: 105516****Rev. 11/2011**

**WARNING:** Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

**Item 1 Identifying Information**

Responses to this Item tell us who you are, where you are doing business, and how we can contact you.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):

**PRIMECAP MANAGEMENT CO**

B. Name under which you primarily conduct your advisory business, if different from Item 1.A.:

**PRIMECAP MANAGEMENT CO**

List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.), enter the new name and specify whether the name change is of

your legal name or  your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-19765**

(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:

E. If you have a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system, your CRD number: **105516**

If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.

F. *Principal Office and Place of Business*

(1) Address (do not use a P.O. Box):

Number and Street 1:

225 SOUTH LAKE AVE STE 400

City:

PASADENA

State:

California

Number and Street 2:

Country:

UNITED STATES

ZIP+4/Postal Code:

91101-3005

If this address is a private residence, check this box:

List on Section 1.F. of Schedule D any office, other than your *principal office and place of business*, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom

you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an *exempt reporting adviser*, list the largest five offices in terms of numbers of *employees*.

(2) Days of week that you normally conduct business at your *principal office and place of business*:

Monday - Friday  Other:

Normal business hours at this location:

7:00AM TO 4:30PM

(3) Telephone number at this location:

626-304-9222

(4) Facsimile number at this location:

626-577-1741

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box:

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

Yes No

I. Do you have one or more websites?

If "yes," list all website addresses on Section 1.I. of Schedule D. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. Some advisers may need to list more than one portal address. Do not provide individual electronic mail (e-mail) addresses in response to this Item.

J. Provide the name and contact information of your Chief Compliance Officer: If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name:

Other titles, if any:

Telephone number:

Facsimile number:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name:

Titles:

Telephone number:

Facsimile number:

Number and Street 1:

Number and Street 2:

City: State:

Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

Yes No

- L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*?

If "yes," complete Section 1.L. of Schedule D.

Yes No

- M. Are you registered with a *foreign financial regulatory authority*?

Answer "no" if you are not registered with a *foreign financial regulatory authority*, even if you have an affiliate that is registered with a *foreign financial regulatory authority*. If "yes," complete Section 1.M. of Schedule D.

Yes No

- N. Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934?

If "yes," provide your CIK number (Central Index Key number that the SEC assigns to each public reporting company):

Yes No

- O. Did you have \$1 billion or more in assets on the last day of your most recent fiscal year?

- P. Provide your *Legal Entity Identifier* if you have one:

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. In the first half of 2011, the *legal entity identifier* standard was still in development. You may not have a *legal entity identifier*.

Next



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Delta Air Lines, Inc.

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 1030 Delta Blvd.

Atlanta, GA 30354

C. Telephone: 404-715-6515 Fax: 404-773-2026 Email: blaine.peters@delta.com

D. Name of contact person: Blaine Peters

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Chicago O'Hare International Terminal Use and Lease Agreement

G. Which City agency or department is requesting this EDS? Department of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
PHYSICAL CHEMISTRY

PHYSICAL CHEMISTRY LABORATORY

REPORT ON THE EXPERIMENT ON THE RATE OF REACTION OF HYDROGEN PEROXIDE WITH

IODIDE ION IN ACIDIC SOLUTION

BY

JOHN H. COLEMAN

PH.D. THESIS

1952

Submitted to the Faculty of the Division of Physical Sciences in partial fulfillment of the requirements for the degree of Doctor of Philosophy

at the University of Chicago

1952

Approved by the Department of Chemistry

\_\_\_\_\_  
Chairman of the Department

Approved by the Faculty of the Division of Physical Sciences

\_\_\_\_\_  
Chairman of the Division

PHYSICAL CHEMISTRY LABORATORY

UNIVERSITY OF CHICAGO

PHYSICAL CHEMISTRY LABORATORY

PHYSICAL CHEMISTRY LABORATORY

PHYSICAL CHEMISTRY LABORATORY

PHYSICAL CHEMISTRY LABORATORY

PHYSICAL CHEMISTRY LABORATORY

PHYSICAL CHEMISTRY LABORATORY

PHYSICAL CHEMISTRY LABORATORY

PHYSICAL CHEMISTRY LABORATORY

PHYSICAL CHEMISTRY LABORATORY

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |  |  |
|--|--|
| <input type="checkbox"/> Person  | <input type="checkbox"/> Limited liability company       |
| <input checked="" type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership   |
| <input type="checkbox"/> Privately held business corporation                 | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                                 | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                                 | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust   | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title |
|-------------------------|-------|
| <u>SEE ATTACHMENT A</u> |       |
|                         |       |
|                         |       |
|                         |       |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,



interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name | Business Address | Percentage Interest in the Disclosing Party |
|------|------------------|---|
| NONE |                  |   |
|      |                  |   |
|      |                  |   |
|      |                  |   |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

---

---

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.



| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
| NONE   |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |
|  |                  |  |  |

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

...the ... of ...

...the ... of ...

...the ... of ...

...the ... of ...

...the ... of ...

...the ... of ...

...the ... of ...

...the ... of ...

...the ... of ...



2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

The first part of the document discusses the importance of maintaining accurate records and the role of the auditor in this process.

It is essential for the auditor to ensure that all transactions are properly recorded and that the books are balanced at all times.

The auditor should also be aware of any changes in the accounting system and ensure that the records are updated accordingly.

In addition, the auditor should maintain a clear and concise audit trail that can be used to trace any transactions back to their source.

This is particularly important in cases where there are discrepancies or irregularities in the records.

The auditor should also be aware of any potential risks or fraud that may be involved in the transactions and take appropriate steps to mitigate them.

### Conclusion

In conclusion, the auditor has a vital role to play in ensuring the accuracy and integrity of the financial records. It is essential for the auditor to maintain a high level of professional skepticism and to adhere to the highest standards of ethical conduct.

The auditor should also be aware of any changes in the accounting system and ensure that the records are updated accordingly.

In addition, the auditor should maintain a clear and concise audit trail that can be used to trace any transactions back to their source.

This is particularly important in cases where there are discrepancies or irregularities in the records. The auditor should also be aware of any potential risks or fraud that may be involved in the transactions and take appropriate steps to mitigate them.

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below: In August 2010, Northwest Airlines, LLC entered into a plea agreement with respect to the charge of air cargo services to suppress and eliminate competition by fixing one or more components for cargo rates charged to customers for certain U.S./Japan air cargo services. The activities that were the subject of the charge took place in the 2004-2006 time period, during which period Northwest Airlines Cargo was a division of Northwest Airlines, Inc. Northwest Airlines, Inc. was a wholly-owned subsidiary of Northwest Airlines Corp. Delta acquired Northwest Airlines Corp. in October 2008. Northwest Airlines LLC is the successor to Northwest Airlines Corp. and is a subsidiary of Delta Air Lines, Inc.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice to ensure transparency and accountability. This section also outlines the procedures for handling discrepancies and the role of the audit committee in monitoring the financial statements.

The second part of the document details the internal control system implemented by the company. It describes the segregation of duties, the authorization process for transactions, and the regular reconciliation of accounts. The document highlights how these controls are designed to prevent errors and detect any irregularities in a timely manner.

The third part of the document provides an overview of the company's financial performance over the reporting period. It includes a summary of the income statement, balance sheet, and cash flow statement. The management discusses the key drivers of growth and the challenges faced during the period, along with their strategic responses.

The fourth part of the document discusses the company's risk management framework. It identifies the major risks facing the organization, such as market volatility, credit risk, and operational risks. The document describes the risk assessment process and the mitigation strategies in place to minimize the potential impact of these risks.

The fifth part of the document outlines the company's environmental, social, and governance (ESG) commitments. It details the company's policies on environmental protection, social responsibility, and ethical conduct. The document also reports on the company's progress in achieving its ESG goals and the impact of these initiatives on the community and the environment.

The sixth part of the document discusses the company's human resources management. It covers the recruitment process, employee development programs, and the company's commitment to diversity and inclusion. The document also provides information on the company's compensation and benefits structure, which is designed to attract and retain top talent.

The seventh part of the document provides a summary of the company's overall performance and outlook for the future. It reiterates the company's commitment to transparency and accountability and expresses confidence in the company's ability to achieve its long-term strategic objectives. The document concludes with a statement of appreciation to the shareholders and other stakeholders for their support.

The eighth part of the document contains the financial statements for the reporting period, including the income statement, balance sheet, and cash flow statement. These statements are presented in both summary and detailed formats, with accompanying notes that provide further information on the accounting policies and estimates used in their preparation. The management's discussion and analysis (MDA) is also included, providing context for the financial data.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

---

---

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

---

---

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

---

---

The first part of the report deals with the general situation of the country and the position of the various groups.

The second part of the report deals with the economic situation and the measures taken to improve it.

The third part of the report deals with the social situation and the measures taken to improve it.

The fourth part of the report deals with the political situation and the measures taken to improve it.

CONCLUSION

The report concludes that the situation is generally satisfactory and that the measures taken are effective.

Yours faithfully,

The Secretary of State for the Colonies

London

The following information is for your information only and should not be used for any other purpose.

The information is confidential and should be kept secret.

The information is for your information only and should not be used for any other purpose.

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name  | Business Address | Nature of Interest |
|-------|------------------|--------------------|
| _____ | _____            | _____              |
| _____ | _____            | _____              |
| _____ | _____            | _____              |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

### 3.1.2. Financial Reporting and Analysis

The second part of the document focuses on financial reporting and analysis. It details the various methods used to collect and analyze financial data, including the use of spreadsheets and specialized software. The goal is to provide a clear and concise overview of the organization's financial performance.

The third part of the document discusses the importance of regular communication and reporting. It outlines the various channels used to disseminate information, such as newsletters, reports, and presentations. The goal is to ensure that all stakeholders are kept up-to-date on the organization's progress and challenges.

The fourth part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

The fifth part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

### 3.1.3. Conclusion

111 111

The final part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

### 3.1.4. Appendix

The appendix contains various supporting documents and data. It includes a list of all transactions, a detailed breakdown of expenses, and a summary of the organization's financial performance over the past year.

The appendix also includes a list of all transactions and activities, along with a detailed breakdown of the organization's financial performance. This information is intended to provide a comprehensive overview of the organization's operations and financial health.

### 3.1.5. References

The references section lists the various sources used in the document. It includes books, articles, and online resources that provide additional information on the topics discussed in the document. The goal is to provide a clear and concise overview of the organization's financial performance.



comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

\_\_\_ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

---

---

---

**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

NONE

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

Secondly, the document highlights the role of internal controls in preventing fraud and errors. It suggests implementing a robust system of checks and balances to ensure the integrity of the financial data.

Furthermore, the document addresses the importance of regular audits. It states that independent audits provide an objective assessment of the financial statements and help identify any weaknesses or areas for improvement.

In conclusion, the document stresses that a strong financial reporting system is essential for the long-term success and sustainability of any organization. It calls for a commitment to high standards of financial reporting and ethical conduct.

The second part of the document focuses on the importance of effective communication. It discusses the need for clear and concise reporting to stakeholders, including investors, creditors, and regulatory bodies.

It also emphasizes the role of the board of directors in overseeing the financial reporting process. The board is responsible for ensuring that the financial statements are fair, balanced, and free from material misstatements.

Finally, the document discusses the importance of staying up-to-date with the latest accounting standards and regulations. It suggests that organizations should invest in ongoing training and education for their financial reporting staff.

In summary, the document provides a comprehensive overview of the key elements of a successful financial reporting system. It offers practical advice and guidance to help organizations improve their financial reporting practices and ensure compliance with applicable laws and regulations.

The document concludes by reiterating the importance of transparency and integrity in financial reporting. It encourages organizations to embrace a culture of openness and accountability, and to strive for the highest standards of financial reporting.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial statements and for providing a clear audit trail.

2. The second part of the document outlines the various methods used to collect and analyze data. These methods include interviews, surveys, and focus groups, each of which has its own strengths and limitations.

3. The third part of the document describes the process of data analysis. This involves identifying patterns, trends, and outliers in the data, and then interpreting these findings in the context of the research objectives.

### 4. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the findings of this study indicate that there is a significant need for improved data management practices. It is recommended that organizations invest in robust data management systems and provide training to staff to ensure data accuracy and security.

### 5. REFERENCES

[1] Smith, J. (2018). Data Management in the Cloud. *Journal of Information Systems*, 15(2), 123-145.

[2] Johnson, A. (2019). The Impact of Data Analytics on Business Decision Making. *Business Analytics Review*, 8(1), 45-60.

[3] Brown, C. (2020). Data Security: A Comprehensive Guide for Small Businesses. *Small Business Journal*, 12(3), 78-95.

[4] Davis, F. (2017). Data Privacy and Security: A Legal Perspective. *Legal Technology Review*, 5(4), 210-225.

[5] White, R. (2016). Data Governance: A Framework for Success. *Information Management Journal*, 10(1), 30-45.

[6] Green, S. (2015). Data Analytics: The Future of Business Intelligence. *Business Intelligence Quarterly*, 9(2), 101-115.

## **SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

THE UNIVERSITY OF CHICAGO LIBRARY  
540 EAST 57TH STREET, CHICAGO, ILL. 60637

DATE OF ACQUISITION: 1968

THE UNIVERSITY OF CHICAGO LIBRARY  
540 EAST 57TH STREET, CHICAGO, ILL. 60637  
DATE OF ACQUISITION: 1968

THE UNIVERSITY OF CHICAGO LIBRARY  
540 EAST 57TH STREET, CHICAGO, ILL. 60637  
DATE OF ACQUISITION: 1968

THE UNIVERSITY OF CHICAGO LIBRARY  
540 EAST 57TH STREET, CHICAGO, ILL. 60637  
DATE OF ACQUISITION: 1968

THE UNIVERSITY OF CHICAGO LIBRARY  
540 EAST 57TH STREET, CHICAGO, ILL. 60637  
DATE OF ACQUISITION: 1968

THE UNIVERSITY OF CHICAGO LIBRARY  
540 EAST 57TH STREET, CHICAGO, ILL. 60637  
DATE OF ACQUISITION: 1968

THE UNIVERSITY OF CHICAGO LIBRARY  
540 EAST 57TH STREET, CHICAGO, ILL. 60637  
DATE OF ACQUISITION: 1968

DATE OF ACQUISITION: 1968

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Delta Air Lines, Inc.  
(Print or type name of Disclosing Party)

By: [Signature]  
(Sign here)

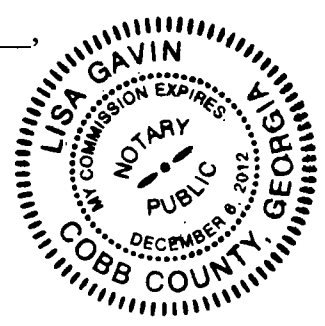
David Hamm  
(Print or type name of person signing)

Managing Director - Corporate Real Estate  
(Print or type title of person signing)

Signed and sworn to before me on (date) 4 Sept 2012,  
at Fulton County, Georgia (state).

Lisa Gavin Notary Public.

Commission expires: 12/6/2012.



The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. This section also outlines the specific requirements for record retention and the consequences of non-compliance.

The second part of the document details the various methods and procedures used to collect and analyze data. It describes the use of surveys, interviews, and focus groups to gather information from stakeholders. Additionally, it discusses the application of statistical analysis to interpret the collected data and identify trends and patterns.

The third part of the document focuses on the implementation of the findings and recommendations. It provides a clear roadmap for the organization to follow, including the identification of key areas for improvement and the assignment of responsibilities. This section also discusses the importance of monitoring progress and making adjustments as needed to ensure the successful implementation of the plan.

The final part of the document concludes with a summary of the key findings and a call to action. It reiterates the importance of ongoing communication and collaboration among all members of the organization to achieve the desired outcomes. The document ends with a statement of commitment to the organization's mission and values.

APPENDIX A

This appendix provides a detailed overview of the data collection process, including the design of the survey instrument and the procedures for data entry and management. It also includes a list of the survey questions and the corresponding response options. This information is intended to provide transparency and ensure the reliability of the data used in the study.

Table 1: Survey Questions and Response Options

Table 2: Data Entry Procedures

Table 3: Survey Results Summary

Table 4: Statistical Analysis Results

Table 5: Implementation Plan

Table 6: Monitoring and Evaluation Framework

Table 7: Glossary of Terms





**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF POLITICAL SCIENCE  
POL 300: POLITICAL THEORY

1. The first part of the course will focus on the works of Aristotle, Plato, and the Stoics. We will explore their views on justice, the good life, and the role of the state.

2. The second part of the course will focus on the works of Thomas Hobbes, John Locke, and Jean-Jacques Rousseau. We will explore their views on the social contract, natural rights, and the legitimacy of government.

3. The third part of the course will focus on the works of Immanuel Kant, G.W.F. Hegel, and Karl Marx. We will explore their views on moral duty, the state of nature, and the role of the state in society.

4. The fourth part of the course will focus on the works of John Rawls, Jürgen Habermas, and Ronald Dworkin. We will explore their views on justice as fairness, deliberative democracy, and the principles of justice.

5. The fifth part of the course will focus on contemporary issues in political theory, such as global justice, environmental justice, and the rights of minorities.

6. The final part of the course will focus on the role of the state in society and the relationship between the state and the individual.

Readings: Aristotle, *Nicomachean Ethics*; Plato, *Republic*; Hobbes, *Leviathan*; Locke, *Two Treatises of Government*; Rousseau, *The Social Contract*; Kant, *Groundwork of the Metaphysics of Morals*; Hegel, *Elements of the Philosophy of Right*; Marx, *Capital*; Rawls, *A Theory of Justice*; Habermas, *The Structural Transformation of the Public Sphere*; Dworkin, *A Matter of Principle*.

**DELTA AIR LINES, INC.  
EXECUTIVE OFFICERS**

| NAME                | TITLE   |
|---------------------|---|
| Richard H. Anderson | Chief Executive Officer   |
| Edward H. Bastian   | President   |
| Michael H. Campbell | Executive Vice President – Human Resources and Labor Relations              |
| Stephen E. Gorman   | Executive Vice President & Chief Operating Officers                         |
| Glen W. Hauenstein  | Executive Vice President – Marketing, Network Planning & Revenue Management |

**DELTA AIR LINES, INC.  
BOARD OF DIRECTORS**

Richard A. Anderson  
Edward H. Bastian  
Roy J. Bostock  
John S. Brinzo  
Daniel A. Carp  
David G. DeWalt  
Mickey P. Foret  
Shirley C. Franklin  
David R. Goode  
Paul Rosput Reynolds  
Kenneth C. Rogers  
Kenneth B. Woodrow



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a if applicable:

PORTER AIRLINES INC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: BILLY BISHOP TORONTO CITY AIRPORT  
TORONTO ONTARIO CANADA M5V 1.

C. Telephone: 416-619-8550 Fax: 416-203-8150 Email: robert.payne@Flyport  
.co

D. Name of contact person: ROBERT PAYNE

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

MIDWAY AIRPORT USE AGREEMENT & FACILITIES LEASE

G. Which City agency or department is requesting this EDS? DEPARTMENT OF AVIATION

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
- Publicly registered business corporation
- Privately held business corporation
- Sole proprietorship
- General partnership
- Limited partnership
- Trust
- Limited liability company
- Limited liability partnership
- Joint venture
- Not-for-profit corporation  
(Is the not-for-profit corporation also a 501(c)(3))?  
 Yes  No
- Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ONTARIO, CANADA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name

Title

PLEASE SEE ATTACHED LIST

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,



interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name                         | Business Address         | Percentage Interest in the Disclosing Party |
|------------------------------|--------------------------|---|
| PORTER AVIATION HOLDINGS INC |                          |   |
| BILLY BISHOP                 | TORONTO CITY AIRPORT     | 100%  |
|                              | TORONTO, ONTARIO, CANADA |   |
|                              | M5V 1A1                  |   |

### SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes  No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

---

---

### SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.



| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|---|
|--|------------------|--|---|

---

N/A

---



---

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

THE DISCLOSING PARTY MAKES THESE CERTIFICATIONS  
TO ITS ACTUAL KNOWLEDGE AFTER REASONABLE INQUIRY

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

---

NONE

---

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

---

NONE

---

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

---

---

-----  
If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name  | Business Address | Nature of Interest |
|-------|------------------|--------------------|
| ----- | -----            | -----              |
| ----- | -----            | -----              |
| ----- | -----            | -----              |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

---

---

---

## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII.** For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

NONE

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

## B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION,  
COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:



F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

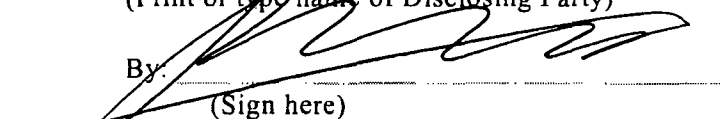
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

PORTER AIRLINES INC.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

ROBERT J. DELUCA  
(Print or type name of person signing)

PRESIDENT & CEO  
(Print or type title of person signing)

Signed and sworn to before me on (date) August 17, 2012,  
at TORONTO County, ONTARIO (state).

Gy Sheahan Notary Public.  
Gy Sheahan

Commission expires: N/A

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

PORTER AVIATION HOLDINGS INC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PORTER AIRLINES INC.

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: BILLY BISHOP TORONTO CITY AIRPORT  
TORONTO, ONTARIO CANADA, M5V 1A1

C. Telephone: 416-619-8550 Fax: 416-203-8150 Email: robert.payne@flyporter.com

D. Name of contact person: ROBERT PAYNE

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

MIDWAY AIRPORT USE AGREEMENT - TO BE SIGNED BY PORTER AIRLINES

G. Which City agency or department is requesting this EDS? DEPARTMENT OF AVIATION

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation       | <input type="checkbox"/> Limited liability partnership   |
| <input checked="" type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                            | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                            | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust  | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ONTARIO, CANADA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name Title

PLEASE ATTACHED LIST

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

**PORTER GROUP OF COMPANIES**

**APPENDIX "A" LIST OF DIRECTORS / OFFICERS**

**Effective March 6<sup>th</sup>, 2012**

| <b><u>Corporation</u></b>                                       | <b><u>Directors</u></b> | <b><u>Officers</u></b> | <b><u>Position Held</u></b>  |
|---|-------------------------|------------------------|--|
| Porter Aviation Holdings Inc.<br>(Formerly Regco Holdings Inc.) | Robert J. Deluce        | Robert J. Deluce       | - President and Chief Executive Officer                            |
|   | Donald J. Carty         | Robert Cordes          | - Executive Vice-President and Chief Operating Officer             |
|   | Samuel L. Duboc         | Robert Michael Deluce  | - Executive Vice-President and Chief Commercial Officer            |
|   | Jacques Demers          | John Leader            | - Executive Vice-President and Chief Financial Officer             |
|   | Stephen Marshall        | Jeffery Brown          | - Executive Vice-President, Chief Strategy and Procurement Officer |
|   | Pamela Wallin           | Robert Payne           | - Corporate Secretary  |
|   | David Wilkins           |                        |  |
|   | James Little            |                        |  |
|   | Blair Cowper-Smith      |                        |  |

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name                            | Business Address | Percentage Interest in the Disclosing Party |
|---------------------------------|------------------|---|
| <i>PLEASE SEE ATTACHED LIST</i> |                  |   |
|                                 |                  |   |
|                                 |                  |   |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

---

---

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

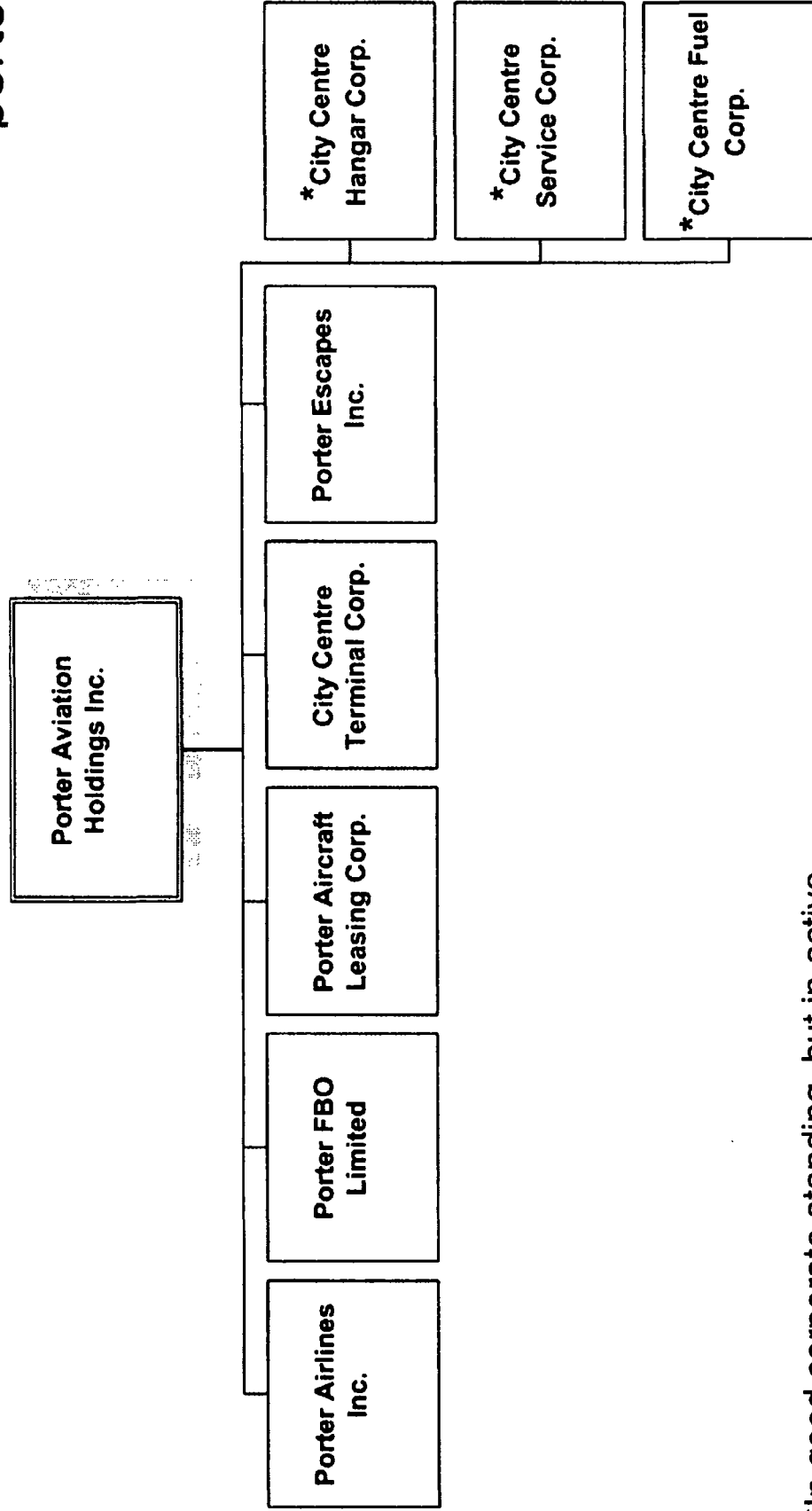
**PORTER AVIATION HOLDINGS INC. SHARE CAPITALIZATION**

2012 Equity - June 5th 2012

|  | <u>Class A<br/>Pref Shares</u> | <u>Class A-1<br/>Pref Shares</u> | <u>Class X</u>   | <u>Class X-1<br/>Variable</u> | <u>SR. Pref.<br/>Shares</u> | <u>Common<br/>Shares</u> | <u>Issued and Outstanding<br/># of Shares</u> | <u>%</u>       |
|--|--------------------------------|----------------------------------|------------------|-------------------------------|-----------------------------|--------------------------|---|----------------|
| REGCO Capital Corp.                            | 6,744,681                      | 1,260,000                        | --               | --                            | 1,300,000                   | 8,112,292                | 17,416,973                                    | 40.64%         |
| EdgeStone Capital Equity Fund II Nominee, Inc. | 1,251,063                      | 179,457                          | 5,131,915        | 736,139                       | --                          | --                       | 7,298,574                                     | 17.03%         |
| OSI (formerly BPC Transportation Corporation)  | 7,446,809                      | 1,739,329                        | --               | --                            | 1,300,000                   | --                       | 10,486,138                                    | 24.47%         |
| GEAM International Private Equity Fund, L.P.   | 5,106,383                      | 732,476                          | --               | --                            | --                          | --                       | 5,838,859                                     | 13.62%         |
| Dancap Private Equity Inc.                     | 1,063,830                      | 352,599                          | --               | --                            | 400,000                     | --                       | 1,816,429                                     | 4.24%          |
| Allocated EEIP Grants                          | --                             | --                               | --               | --                            | --                          | --                       | --  | --             |
| <b>TOTAL</b>                                   | <b>21,612,766</b>              | <b>4,263,861</b>                 | <b>5,131,915</b> | <b>736,139</b>                | <b>3,000,000</b>            | <b>8,112,292</b>         | <b>42,856,973</b>                             | <b>100.00%</b> |

# Porter Corporate Org Chart

porter  
porter  
porter  
porter  
porter



\*In good corporate standing, but in-active.



| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|---|
|--|------------------|--|---|

---

~ / A

---



---

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

THE DISCLOSING PARTY MAKES THESE CERTIFICATIONS  
TO ITS ACTUAL KNOWLEDGE AFTER REASONABLE INQUIRY

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

---

None

---

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

---

None

---

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes  No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

\_\_\_ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

---

---

---

**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

NONE

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:



F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

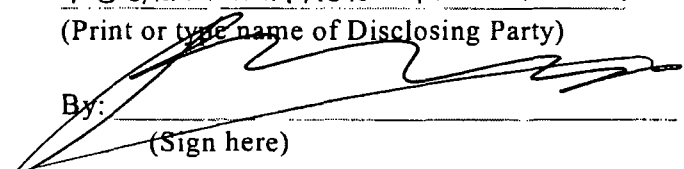
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

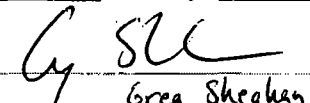
PORTER AVIATION HOLDINGS INC.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

ROBERT J. DELUCK  
(Print or type name of person signing)

PRESIDENT & CEO  
(Print or type title of person signing)

Signed and sworn to before me on (date) August 17, 2012  
at Toronto County, Ontario, Canada (state).

 Notary Public.  
Greg Sheahan

Commission expires: N/A

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

EDGESTONE CAPITAL EQUITY FUND 11-A, L.P.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PORTER AIRLINES INC.

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 141 ADELAIDE STREET WEST, SUITE 1002  
TORONTO, ONTARIO, CANADA M5H 3L5

C. Telephone: 416 - 860 - 3740 Fax: 416 - 860 - 9383 Email: ssobotin@edgestone.com

D. Name of contact person: SHANE SOBOTIN

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

MIDWAY AIRPORT USE AGREEMENT - TO BE SIGNED BY PORTER AIRLINES

G. Which City agency or department is requesting this EDS? DEPARTMENT OF AVIATION

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person                                   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership   |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                      | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                      | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input checked="" type="checkbox"/> Limited partnership           | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ONTARIO

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name | Title |
|------|-------|
|------|-------|

PLEASE SEE ATTACHED LIST

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

**EDGESTONE CAPITAL EQUITY FUND II-A, L.P.**  
**Management**

| Name                | Title   |
|---------------------|---|
| Andrew Kiguel       | Director, President and Secretary of EdgeStone Capital Equity Fund II-A GP, Inc., the general partner of EdgeStone Capital Equity Fund II-A GP, L.P., the general partner of the Disclosing Party |
| Samuel L. Duboc     | Authorized Representative   |
| Gilbert S. Palter   | Authorized Representative   |
| Stephen O. Marshall | Authorized Representative   |

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name                            | Business Address | Percentage Interest in the Disclosing Party |
|---------------------------------|------------------|---|
| <i>PLEASE SEE ATTACHED LIST</i> |                  |   |
|                                 |                  |   |
|                                 |                  |   |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

---

---

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

**EDGESTONE CAPITAL EQUITY FUND II-A, L.P.**  
**Beneficial Interest in Excess of 7.5%**

| Name                                       | Business Address   | Percentage Interest in the Disclosing Party <sup>(1)</sup> |
|--|--|--|
| CPP Investment Board Private Holdings Inc. | 1 Queen Street East, Suite 2600 PO BOX 101<br>Toronto, Ontario M5C 2W5 | 48.8%  |
| NBF B Holding Inc.                         | 1155 Metcalfe St., 5th Floor<br>Montreal, Quebec H3B 4S9               | 22.4%  |
| GE Canada Asset Financing Holding Company  | 500 West Monroe, 16th Floor<br>Chicago, Illinois 60661                 | 8.5%   |

1. Based on committed capital

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|---|
|--|------------------|--|---|

N/A

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V – CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.



2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

WITH RESPECT TO THE DISCLOSING PARTY, WE MAKE THESE CERTIFICATIONS  
TO OUR ACTUAL KNOWLEDGE AFTER REASONABLE INQUIRY. WITH RESPECT TO  
ANY AFFILIATED ENTITIES, WE MAKE THESE CERTIFICATIONS TO OUR ACTUAL  
KNOWLEDGE WITHOUT HAVING MADE ANY SPECIFIC INQUIRY.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is

is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes

No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

\_\_\_ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

---

---

---

## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

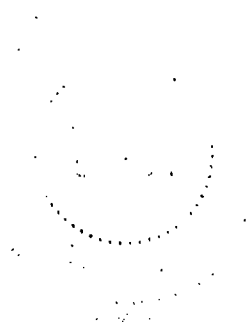
Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:





F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

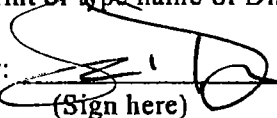
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

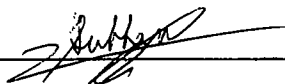
EDGESTONE CAPITAL EQUITY FUND II-A, L.P.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

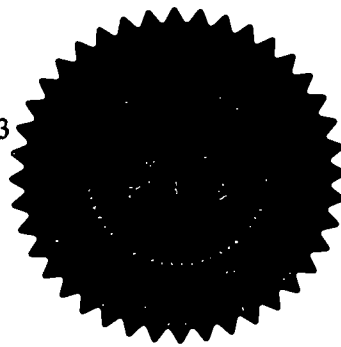
SAMUEL L. DUBOC  
(Print or type name of person signing)

AUTHORIZED REPRESENTATIVE  
(Print or type title of person signing)

Signed and sworn to before me on (date) AUGUST 29, 2012,  
at TORONTO County, ONTARIO (state).

 Notary Public.

Commission expires: NOT APPLICABLE.



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

REGCO CAPITAL CORP.

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Porter Airlines Inc.

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 43 Chestnut Park Rd., Toronto, ON M4W 1W7

C. Telephone: 416-619-8500 Fax: \_\_\_\_\_ Email: robert.deluce@flyporter.com

D. Name of contact person: Robert Deluce

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Midway Airport Use Agreement - to be signed by Porter Airlines Inc.

G. Which City agency or department is requesting this EDS? Department of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
- Publicly registered business corporation
- Privately held business corporation
- Sole proprietorship
- General partnership
- Limited partnership
- Trust
- Limited liability company
- Limited liability partnership
- Joint venture
- Not-for-profit corporation  
(Is the not-for-profit corporation also a 501(c)(3))?
- Yes
- No
- Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes
- No
- N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title                                    |
|-------------------------|--|
| <u>Robert J. Deluce</u> | <u>Director, President and Secretary</u> |
|                         |  |
|                         |  |
|                         |  |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name                   | Business Address                                  | Percentage Interest in the Disclosing Party |
|------------------------|---|---|
| Regeo Investments Inc. | 43 Chestnut Park Road, Toronto, ON M4W 1W7        |   |
| Deluce Capital Corp.   | 43 Chestnut Park Road, Toronto, ON M4W 1W7        |   |
| Cadelhold Inc.         | 1300 Yonge Street, Suite 100, Toronto, ON M4T 2W2 |   |
| See Schedule "A"       |   |   |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

**SCHEDULE "A"**

**REGCO CAPITAL CORP.**

| <u>Shareholder Name</u>                           | <u>Class A Preference</u> |                | <u>Class A-1 Preference</u> |                | <u>Common</u>    | <u>Senior Preference</u> |
|---|---------------------------|----------------|-----------------------------|----------------|------------------|--------------------------|
|   |                           | <u>Class %</u> |                             | <u>Class %</u> |                  |                          |
| Regco Investments Inc.                            | 2,127,660                 | 32%            |                             | 0%             | 7,872,340        | 98%                      |
| Donald J. Carty                                   | 148,938                   | 2%             | 120,000                     | 10%            | 171,395          | 2%                       |
| Deluce Capital Corp.                              | 313,524                   | 5%             | 400,000                     | 32%            |                  | 200,000                  |
| AJLCO Realty Limited                              | 212,766                   | 3%             |                             | 0%             |                  |                          |
| 584981 Ontario Limited                            | 106,383                   | 2%             | 20,000                      | 2%             |                  | 60,000                   |
| 1507796 Ontario Limited                           | 532,000                   | 8%             | 150,000                     | 12%            |                  | 350,000                  |
| NBCN Inc. ITF 1067941 Ontario Limited A/C 11T3TGE | 851,000                   | 13%            | 80,000                      | 6%             |                  | 120,000                  |
| Crescendo Partners II Fund, Series D              | 175,878                   | 3%             |                             | 0%             |                  |                          |
| Ian Delaney                                       | 425,532                   | 6%             | 70,000                      | 6%             |                  | 80,000                   |
| NBCN Inc. ITF The Hamilton Group Inc              | 851,000                   | 13%            | 80,000                      | 6%             |                  | 120,000                  |
| Cadelhold Inc.                                    |                           | 0%             | 100,000                     | 8%             |                  |                          |
| Gary Johnston                                     | 106,383                   | 2%             | 20,000                      | 2%             |                  | 20,000                   |
| Livgroup Investments Inc.                         | 425,532                   | 6%             | 120,000                     | 10%            |                  | 100,000                  |
| Robert Ogilvie                                    | 425,532                   | 6%             | 100,000                     | 8%             |                  | 100,000                  |
| Roxon Capital Corporation                         |                           |                |                             |                |                  | 50,000                   |
| Ana Maria Carty                                   |                           |                |                             |                |                  | 30,000                   |
| <b>TOTAL</b>                                      | <b>6,702,128</b>          | <b>100%</b>    | <b>1260000</b>              | <b>100%</b>    | <b>8,043,735</b> | <b>100%</b>              |

(Shareholders of Highlighted Regco Capital Corp. Shareholders)

**Regco Investments Inc.**

Deluce Capital Corp. 10,000,000

Deluce Partners Inc.

3,000,000

4,500,000

**Cadelhold Inc.**

Catherine Deluce

3039

**Deluce Capital Corp.**

Deluce Group Inc.

1

**Deluce Group Inc.**

Robert J. Deluce

1,002

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

N/A

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").



Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to it's actual knowledge after reasonable inquire.

---

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

---

None

---

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

---

None

---

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is                       is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name  | Business Address | Nature of Interest |
|-------|------------------|--------------------|
| _____ | _____            | _____              |
| _____ | _____            | _____              |
| _____ | _____            | _____              |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

N/A

---

---

## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII.** For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

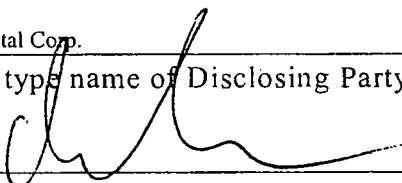
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

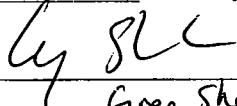
Regco Capital Corp.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Michael Deluce  
(Print or type name of person signing)

Executive Vice-President  
(Print or type title of person signing)

Signed and sworn to before me on (date) August 17, 2012,  
at Toronto County, Ontario (state).

 Notary Public.

Commission expires: Greg Sheehan N/A

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

REGCO INVESTMENTS INC.

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Porter Airlines Inc.

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 43 Chestnut Park Rd., Toronto, ON M4W 1W7

C. Telephone: 416-619-8500 Fax: \_\_\_\_\_ Email: robert.deluce@flyporter.com

D. Name of contact person: Robert Deluce

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Midway Airport Use Agreement - to be signed by Porter Airlines Inc.

G. Which City agency or department is requesting this EDS? Department of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation       | <input type="checkbox"/> Limited liability partnership   |
| <input checked="" type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                            | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                            | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust  | <input type="checkbox"/> Other (please specify)          |
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title                                    |
|-------------------------|--|
| <u>Robert J. Deluce</u> | <u>Director, President and Secretary</u> |
| _____                   | _____                                    |
| _____                   | _____                                    |
| _____                   | _____                                    |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
  - Publicly registered business corporation
  - Privately held business corporation
  - Sole proprietorship
  - General partnership
  - Limited partnership
  - Trust
  - Limited liability company
  - Limited liability partnership
  - Joint venture
  - Not-for-profit corporation
- (Is the not-for-profit corporation also a 501(c)(3))?
- Yes                       No
- Other (please specify)
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes                       No                       N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title                                    |
|-------------------------|--|
| <u>Robert J. Deluce</u> | <u>Director, President and Secretary</u> |
|                         |  |
|                         |  |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name                 | Business Address                           | Percentage Interest in the Disclosing Party |
|----------------------|--|---|
| Deluce Capital Corp. | 43 Chestnut Park Road, Toronto, ON M4W 1W7 | 3,000,000 Common Shares - 40%               |
| Deluce Partners Inc. | 43 Chestnut Park Road, Toronto, ON M4W 1W7 | 4,500,000 Common Shares - 60%               |
| Deluce Capital Corp. | 43 Chestnut Park Road, Toronto, ON M4W 1W7 | 10,000,000 Class A Shares - 100%            |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

\_\_\_\_\_ N/A \_\_\_\_\_

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

“Lobbyist” means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. “Lobbyist” also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
| N/A  |                  |  |  |

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

N/A

---



---



---

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes             No             No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes             No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.**

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
  - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
  - c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
  - d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
  - e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;
  - any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
  - any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
  - any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to its actual knowledge after reasonable inquiry.

---

---

---

---



Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to it's actual knowledge after reasonable inquire.

---

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

---

None

---

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

---

None

---

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is                     is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

N/A

---

---

## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

## B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION,  
COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:



F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

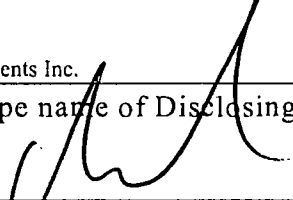
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

### CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

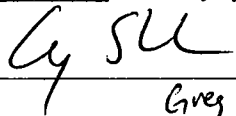
Regco Investments Inc.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Michael Deluce  
(Print or type name of person signing)

Executive Vice-President  
(Print or type title of person signing)

Signed and sworn to before me on (date) August 17, 2012,  
at Toronto County, Ontario, Canada (state).

 Notary Public.  
Greg Sheehan

Commission expires: N/A

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

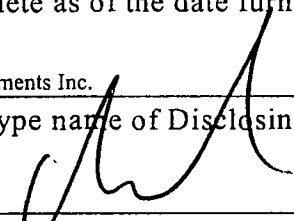
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

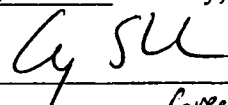
Regco Investments Inc.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Michael Deluce  
(Print or type name of person signing)

Executive Vice-President  
(Print or type title of person signing)

Signed and sworn to before me on (date) August 17, 2012,  
at Toronto County, Ontario Canada (state).

 Notary Public.  
Greg Sheehan

Commission expires: N/A

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

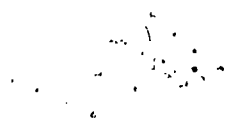
No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

DELUCE PARTNERS INC.

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Porter Airlines Inc.

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 43 Chestnut Park Rd., Toronto, ON M4W 1W7

C. Telephone: 416-619-8500 Fax: \_\_\_\_\_ Email: robert.deluce@flyporter.com

D. Name of contact person: Robert Deluce

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Midway Airport Use Agreement - to be signed by Porter Airlines Inc.

G. Which City agency or department is requesting this EDS? Department of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
- Publicly registered business corporation
- Privately held business corporation
- Sole proprietorship
- General partnership
- Limited partnership
- Trust
- Limited liability company
- Limited liability partnership
- Joint venture
- Not-for-profit corporation  
(Is the not-for-profit corporation also a 501(c)(3))?
- Yes
- No
- Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes
- No
- N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name             | Title                             |
|------------------|-----------------------------------|
| Robert J. Deluce | Director, President and Secretary |
|                  |                                   |
|                  |                                   |
|                  |                                   |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
  - Publicly registered business corporation
  - Privately held business corporation
  - Sole proprietorship
  - General partnership
  - Limited partnership
  - Trust
  - Limited liability company
  - Limited liability partnership
  - Joint venture
  - Not-for-profit corporation
- (Is the not-for-profit corporation also a 501(c)(3))?
- Yes                       No
- Other (please specify)
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes                       No                       N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title                                    |
|-------------------------|--|
| <u>Robert J. Deluce</u> | <u>Director, President and Secretary</u> |
|                         |  |
|                         |  |
|                         |  |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name              | Business Address                           | Percentage Interest in the Disclosing Party |
|-------------------|--|---|
| Robert J. Deluce  | 43 Chestnut Park Road, Toronto, ON M4W 1W7 | 50 Common Shares - 50%                      |
| R. Michael Deluce | 43 Chestnut Park Road, Toronto, ON M4W 1W7 | 50 Common Shares - 50%                      |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.



| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

N/A

---



---



---

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

N/A

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to it's actual knowledge after reasonable inquire.

---

---

---

---

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to it's actual knowledge after reasonable inquire.

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

---

None

---

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

---

None

---

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is                     is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes  No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|------|------------------|--------------------|

---

---

---

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to



comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

N/A

---

---

## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (Sec 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

## SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

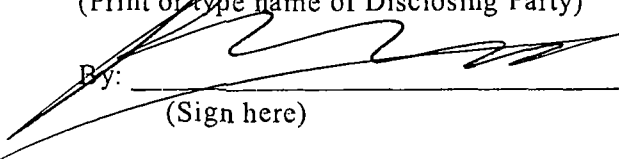
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

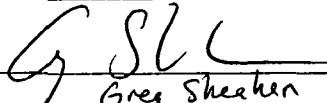
Deluce Partners Inc.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Robert J. Deluce  
(Print or type name of person signing)

President  
(Print or type title of person signing)

Signed and sworn to before me on (date) 5 Sept 2012,  
at Toronto County, Canada (state).

  
Notary Public.  
Commission expires: N/A

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

### CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Deluce Partners Inc.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Robert J. Deluce  
(Print or type name of person signing)

President  
(Print or type title of person signing)

Signed and sworn to before me on (date) 5 Sept 2012,  
at Toronto County, Canada (state).

  
Notary Public.

Commission expires: N/A.

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

DELUCE CAPITAL CORP.

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Porter Airlines Inc.

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 43 Chestnut Park Rd., Toronto, ON M4W 1W7

C. Telephone: 416-619-8500 Fax: \_\_\_\_\_ Email: robert.deluce@flyporter.com

D. Name of contact person: Robert Deluce

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Midway Airport Use Agreement - to be signed by Porter Airlines Inc.

G. Which City agency or department is requesting this EDS? Department of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A



**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation       | <input type="checkbox"/> Limited liability partnership   |
| <input checked="" type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                            | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                            | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust  | <input type="checkbox"/> Other (please specify)          |
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title                                    |
|-------------------------|--|
| <u>Robert J. Deluce</u> | <u>Director, President and Secretary</u> |
|                         |  |
|                         |  |
|                         |  |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
  - Publicly registered business corporation
  - Privately held business corporation
  - Sole proprietorship
  - General partnership
  - Limited partnership
  - Trust
  - Limited liability company
  - Limited liability partnership
  - Joint venture
  - Not-for-profit corporation
- (Is the not-for-profit corporation also a 501(c)(3))?
- Yes  No
- Other (please specify)
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title                                    |
|-------------------------|--|
| <u>Robert J. Deluce</u> | <u>Director, President and Secretary</u> |
|                         |  |
|                         |  |
|                         |  |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name              | Business Address                           | Percentage Interest in the Disclosing Party |
|-------------------|--|---|
| Deluce Group Inc. | 43 Chestnut Park Road, Toronto, ON M4W 1W7 | 1 Common Share - 100%                       |
|                   |  |   |
|                   |  |   |
|                   |  |   |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

N/A

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

N/A

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes             No             No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes             No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to it's actual knowledge after reasonable inquire.

---

---

---

---

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to it's actual knowledge after reasonable inquire.

---

---

---



If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

---

None

---

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

---

None

---

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is                       is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

N/A

---

---

## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

## B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

## SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

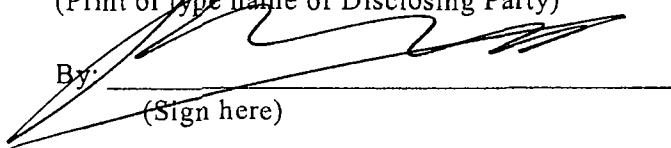
F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

### CERTIFICATION


Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

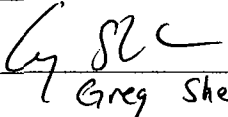
Deluce Capital Corp.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Robert J. Deluce  
(Print or type name of person signing)

President  
(Print or type title of person signing)

Signed and sworn to before me on (date) 5<sup>th</sup> September 2012 ,  
at Toronto County, Canada (state).

  
Notary Public.  
Commission expires: N/A



F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

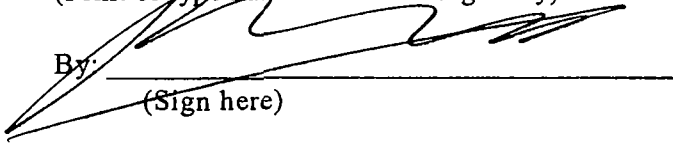
F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**


Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

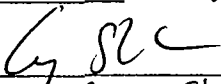
Deluce Capital Corp.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Robert J. Deluce  
(Print or type name of person signing)

President  
(Print or type title of person signing)

Signed and sworn to before me on (date) 5<sup>th</sup> September 2012 ,  
at Toronto County, Canada (state).

 Notary Public.

Commission expires: N/A

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

DELUCE GROUP INC.

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Porter Airlines Inc.

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 43 Chestnut Park Rd., Toronto, ON M4W 1W7

C. Telephone: 416-619-8500 Fax: \_\_\_\_\_ Email: robert.deluce@flyporter.com

D. Name of contact person: Robert Deluce

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Midway Airport Use Agreement - to be signed by Porter Airlines Inc.

G. Which City agency or department is requesting this EDS? Department of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation       | <input type="checkbox"/> Limited liability partnership   |
| <input checked="" type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                            | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                            | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust  | <input type="checkbox"/> Other (please specify)          |
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title                                    |
|-------------------------|--|
| <u>Robert J. Deluce</u> | <u>Director, President and Secretary</u> |
| _____                   | _____                                    |
| _____                   | _____                                    |
| _____                   | _____                                    |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
  - Publicly registered business corporation
  - Privately held business corporation
  - Sole proprietorship
  - General partnership
  - Limited partnership
  - Trust
  - Limited liability company
  - Limited liability partnership
  - Joint venture
  - Not-for-profit corporation
- (Is the not-for-profit corporation also a 501(c)(3))?
- Yes                       No
- Other (please specify)
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Province of Ontario (Canada)

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes                       No                       N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

| Name                    | Title                                    |
|-------------------------|--|
| <u>Robert J. Deluce</u> | <u>Director, President and Secretary</u> |
|                         |  |
|                         |  |
|                         |  |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name             | Business Address                           | Percentage Interest in the Disclosing Party |
|------------------|--|---|
| Robert J. Deluce | 43 Chestnut Park Road, Toronto, ON M4W 1W7 | 1,002 Common Shares - 100%                  |
|                  |  |   |
|                  |  |   |
|                  |  |   |

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

\_\_\_\_\_ N/A \_\_\_\_\_

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

N/A

---



---



---

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

| Name (indicate whether retained or anticipated to be retained) | Business Address | Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.) | Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response. |
|--|------------------|--|--|
|--|------------------|--|--|

N/A

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.



2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to it's actual knowledge after reasonable inquire.

---

---

---

---

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The disclosing party makes these certifications to its actual knowledge after reasonable inquire.

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

---

None

---

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

---

None

---

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

---

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes  No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|      |                  |                    |
|      |                  |                    |
|      |                  |                    |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

N/A

---

---

## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII.** For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---



3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes  No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes  No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes  No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes  No

If you checked "No" to question 1. or 2. above, please provide an explanation:

---

---

## SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

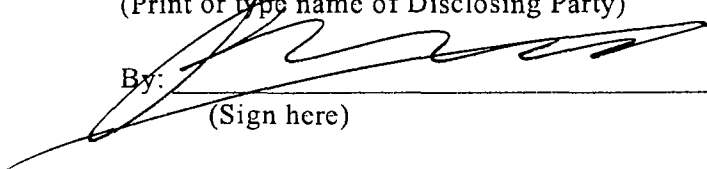
F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

### CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

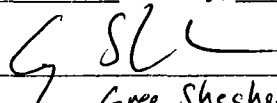
Deluce Group Inc.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Robert J. Deluce  
(Print or type name of person signing)

President  
(Print or type title of person signing)

Signed and sworn to before me on (date) 5 September 2012,  
at Toronto County, Canada (state).

  
\_\_\_\_\_  
Greg Sheehan  
Notary Public.  
Commission expires: N/A.

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

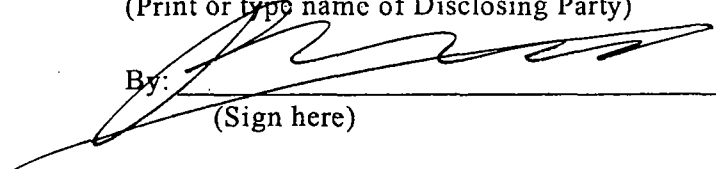
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

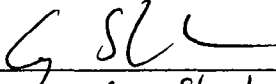
Deluce Group Inc.  
(Print or type name of Disclosing Party)

By:   
(Sign here)

Robert J. Deluce  
(Print or type name of person signing)

President  
(Print or type title of person signing)

Signed and sworn to before me on (date) 5 September 2012,  
at Toronto County, Canada (state).

  
\_\_\_\_\_  
Notary Public.  
Commission expires: Greg Sheshan  
N/A

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---