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City Council Document Tracking Sheet

Meeting Date:	10/5/2011
Sponsor(s):	Emanuel, Rahm (Mayor)
Type:	Ordinance
Title:	Facilities lease and use agreement with Aviation Services
Committee(s) Assignment:	Committee on Aviation

AVIAT.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

October 5, 2011

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 facilities lease and use agreement with Aviation Services.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor



ORDINANCE

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

WHEREAS, the City owns and operates an airport commonly known as Chicago Midway International Airport ("Airport") and

WHEREAS, the City has the authority to lease premises and facilities and the power to grant rights and privileges with respect to the Airport; and

WHEREAS, Aviation Services Group, Inc., d/b/a Odyssey Aviation, a Louisiana corporation ("Odyssey"), has conducted a fixed base operator business at the Airport pursuant to an agreement which expired on December 31, 2009, and the city has determined that it is in the best interest of the City and the Airport that the City and Odyssey enter into a Facilities Lease and Use Agreement ("Agreement") beginning on the first day of the month following the date on which this ordinance is passed by City Council and expiring on December 31, 2012, under which Odyssey will be granted the right to continue to conduct a fixed base operator business at the Airport on the terms and conditions as provided in the Agreement;

NOW THEREFORE, be it ordained by the City Council of the City of Chicago as follows:

Section 1. The above recitals are hereby incorporated in this Ordinance by this reference.

Section 2. The Agreement, in substantially the form attached to this Ordinance as Exhibit A, is hereby approved. The Commissioner of Aviation of the City ("Commissioner") is hereby authorized to execute and deliver the Agreement on behalf of the City, in substantially the form of the Agreement attached to this Ordinance as Exhibit A, or with such changes as are approved by the Commissioner and are not inconsistent with the purposes of this Ordinance, the Commissioner's execution of the Agreement to constitute conclusive evidence of this Council's approval of such changes.

Section 3. The Commissioner and other officers, agents and employees of the City ~~and hereby authorized, empowered and directed, for and on behalf of the City, to execute and~~ deliver all papers, certificates, documents and other instruments and to take such actions as may be required to carry out the authority conferred by this Ordinance.

Section 4. This Ordinance shall take effect immediately upon its passage and approval.

**FACILITIES LEASE AND USE AGREEMENT
BETWEEN THE CITY OF CHICAGO
AND
AVIATION SERVICES GROUP, INC., D/B/A ODYSSEY AVIATION INC.
AT CHICAGO MIDWAY INTERNATIONAL AIRPORT**

DRAFT 09-20-11

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- Exhibit A - Premises
- Exhibit B - Improvements [Intentionally Omitted]
- Exhibit C - Requirements for Work
- Exhibit D - Affirmative Action Program
- Exhibit E - Form of Letter of Credit
- Exhibit F - Airport Fuel System
- Exhibit G - Lessee's Economic Disclosure Statement and Affidavit

**FACILITIES LEASE AND USE AGREEMENT
BETWEEN THE CITY OF CHICAGO
AND
AVIATION SERVICES GROUP, INC.
D/B/A ODYSSEY AVIATION INC.
AT CHICAGO MIDWAY INTERNATIONAL AIRPORT**

This Facilities Lease and Use Agreement ("Agreement") is made and entered into as of the ____ day of _____, 2011 ("Effective Date"), by and between the City of Chicago, an Illinois municipal corporation and 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"), and Aviation Services Group, Inc. d/b/a Odyssey Aviation Inc., a Louisiana corporation ("Lessee").

RECITALS

WHEREAS, City owns and operates that certain airport within the City known as Chicago Midway International Airport ("Airport"); and

WHEREAS, the City has the authority to lease premises and facilities and the power to grant rights and privileges with respect to the Airport, and

WHEREAS, Lessee has conducted a fixed base operator business at the Airport under an agreement which expired on December 31, 2009; and

WHEREAS, Lessee has continued to operate its business at the Airport on a month-to-month term; and

WHEREAS, the City and Lessee agree that it is in the best interest of both parties to enter into this Agreement for the conduct of a fixed base operator business at the Airport commencing on the Effective Date and ending on December 31, 2012; and

WHEREAS, City and Lessee 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 Lessee's performance under this Agreement is a valuable right incapable of quantification;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements herein contained, and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and 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 though fully set forth herein

Section 1.02 - Definitions. The following words, terms, and phrases, shall, for the purposes of this Lease, have the following meanings.

“Abandonment” or “Abandons” means the cessation of the use of the Premises by Lessee in accordance with this Agreement, other than for reasons of strikes or force majeure, for a period of ninety (90) days or more in any twelve month period

“Affiliate” means a person controlling, controlled by, or under the common control of Lessee.

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

“Airport” means Chicago Midway International Airport, together with any additions thereto, or improvements or enlargements thereof, hereinafter made

“Airport Rules and Regulations” means those rules and regulations governing the conduct and operations of the Airport promulgated from time to time by City as identified in Section 8.01 hereof

“Airport Security Acts” means the various acts of the federal government addressing aviation safety and security, as codified in 49 United States Code, Section 44901 *et seq.*, as amended from time to time, and any regulations promulgated thereunder

“Building Rent” is defined in Section 4.03 herein.

“Commissioner” means, for the purposes of this Agreement, the Commissioner of the Department of Aviation of the City (or any successor thereto in whole or in part as to her duties as the person in charge of the operation of the Airport on behalf of the City), or such person as she may designate in writing, or any successor to her rights and duties

“Default Rate” means the annual rate of four percent (4%) plus the Prime Rate (hereinafter defined), unless a lesser interest rate shall then be the maximum rate permissible by law with respect thereto, in which event said lesser rate shall be the Default Rate. Changes in the Default Rate based on the Prime Rate shall take effect immediately upon the occurrence of a change in the Prime Rate. As used herein, the term “Prime Rate” at any time shall mean the rate of interest then most recently announced by Harris Trust & Savings Bank (“HTSB”) or its successors at Chicago, Illinois as its “corporate base rate.” A certificate made by an officer of HTSB stating the “corporate base rate” in effect on any given day shall, for the purposes hereof, be conclusive evidence of the Prime Rate in effect on such day. In the event HTSB ceases to use the term “corporate base rate” in setting the base rate of interest for commercial

loans, then the Prime Rate herein shall be determined by reference to the rate used by HTSB as a base rate of interest for commercial loans as the same shall be designated by HTSB. In the event HTSB ceases to exist, then the Prime Rate herein shall be determined by reference to the rate used by a commercial bank in Chicago, Illinois, selected by City, as a base rate of interest for commercial loans, as the same shall be designated by such lender.

“Effective Date” shall mean the first date hereinabove stated.

“Environmental Condition” is defined in Section 7.08 herein.

“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.

“Fuel System” means the Airport fueling system, as described on Exhibit F hereto.

“Ground Rent” is defined in Section 4.02 herein.

“Landing Fees” are defined in Section 4.05 herein.

“Lessee” means Aviation Services Group, Inc., d/b/a Odyssey Aviation Inc., a corporation duly organized and existing under the laws of the State of Louisiana, and the lessee of the Premises, or its authorized successors or assigns.

“Minimum Guarantee Rent” or **“MAG”** is defined in Section 4.04(c) herein.

“Percentage Rent” is defined in Section 4.04 herein.

“Pre-Existing Condition” is defined in Section 7.08 herein.

“Premises” means those areas designated on Exhibit A hereto, together with any existing pavement, facilities, structures or other fixtures located thereon.

“Rent” means, unless the context specifically otherwise requires, Ground Rent, Building Rent, Percentage Rent, Landing Fees and Minimum Annual Guarantee and any other amount for which Lessee is obligated under this Agreement.

“Transfer” is defined in Section 14.01 herein.

“Transportation Security Administration” (sometimes referred to as “TSA”) means the federal Transportation Security Administration created by the Aviation and Transportation Security Act of 2001, or any successor agency thereto.

Section 1.03 - Interpretation. 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 or reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction, or effect of this Agreement. The term "including" shall be construed to mean "including, without limitation." Unless the context otherwise requires, the terms "hereby," "herein," "hereof," "hereto," "hereunder" and any similar terms used in this Agreement refer to this Agreement, all section references, unless otherwise expressly indicated, are to sections of this Agreement, words importing persons shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public bodies, as well as natural persons. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa, unless the context shall otherwise indicate. All references to any exhibit or document shall be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms and conditions hereof and thereof. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights, duties, and obligations of such persons or entities in accordance with the terms and conditions of this Agreement. All references to a number of days shall mean calendar days, unless otherwise expressly indicated.

Section 1.04 - Incorporation of Exhibits. The following exhibits attached hereto are made apart of this Agreement:

- Exhibit A - Premises
- Exhibit B - Improvements [Intentionally Omitted]
- Exhibit C - Requirements for Work
- Exhibit D - Affirmative Action Program
- Exhibit E - Form of Letter of Credit
- Exhibit F - Airport Fuel System
- Exhibit G - Lessee's Economic Disclosure Statement and Affidavit

ARTICLE II - LEASE OF PREMISES

Section 2.01 - Lease of Premises. City hereby leases to Lessee, and Lessee hereby leases from City, the land at the Airport depicted on Exhibit A attached hereto, together with the pavement, facilities, structures and fixtures currently located thereon (the "Premises")

Section 2.02 - Adjustment of Area of Premises. The Commissioner shall have the right to adjust the ramp area which is part of the Premises if the Commissioner determines that to be in the best interests of the Airport by removing ramp area from the Premises and by adding to the Premises replacement ramp area which is equivalent to the ramp area removed from the Premises; provided that such adjustment does not

unreasonably impair or restrict the Lessee from servicing its clients' aircraft nor reduce the Lessee's ability to compete against the services offered by other fixed base operators at the Airport. City shall have the right to re-measure the Premises, or any portion thereof, at any time during the Term of this Agreement upon the occurrence of any circumstances, including but not limited to the construction of improvements and modifications to taxiways and service roads, that may, in the opinion of the Commissioner, warrant a re-measurement of the Premises. Any change in the square footage of the Premises resulting from such a re-measurement and any corresponding change in Rent resulting therefrom that has not been disputed by Lessee within 10 days after receipt of written notice thereof, shall be indicated on the applicable exhibits hereto without the necessity of an amendment to this Agreement. If Lessee disputes the re-measurement, then the parties will refer the issue to a licensed land surveyor for resolution. If the difference between the actual area as determined by the land surveyor and the area as measured by the City is two percent or less, then Lessee shall be responsible for the cost of the land survey, otherwise the cost shall be borne by the City.

Section 2.03 - Easements and Rights of Entry.

A. Lessee's leasing of the Premises is subject to any and all easements, licenses and other rights with respect to the Premises granted to or vested in any other governmental entities or agencies, such as the FAA or TSA

B. Lessee acknowledges that there currently exist, and that City may grant in the future, easements and rights on, over and/or under the Premises for the benefit of suppliers and/or owners of utilities that service the Airport, and Lessee hereby consents to any such easements whether now in existence or granted during the term of this Agreement.

C. The City hereby reserves unto itself and other users of the Airport the rights and easements to those areas of the Premises identified as service roads for ground vehicles and taxiways for aircraft on Exhibit A, as may be necessary for the ground vehicles and aircraft of users of the Airport other than Lessee to move on or over the Premises on such service roads and taxiways. The City further reserves unto itself the right to relocate such service roads and taxiways from time to time, all at the City's own cost. City shall use all reasonable efforts to minimize the impact of any such relocation upon Lessee's operations. In the event that such a relocation renders a portion of the Premises unusable, the City will delete the square footage of that unusable portion from the calculation of Rent for the period that such portion remains unusable. For the purposes of calculating Ground Rent, the square footage within such easements for service roads and taxiways has been and will be excluded from such calculations.

D. The City hereby reserves the rights and such easements as may be necessary to enter onto the Premises for the purpose of conducting any operations related to the function of the Airport, including, without limitation, the right to service any antennas or communications facilities now or hereafter located on the roof of the Premises, and to inspect and/or conduct testing on any part of the Premises. City agrees to use

reasonable efforts to not unreasonably interfere with Lessee's use and possession of the Premises when exercising any of the rights granted under this Section 2.03.

Section 2.04 - Use of Premises. 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 aeronautical activities by Lessee at the Airport, Lessee is hereby granted the use of the Premises for the following purposes.

A. Primary Commercial Support Services. Lessee shall perform the following services for aircraft operating at the Airport and soliciting from Lessee any of the services usually supplied by a fixed base operator in accordance with those minimum standards as may be established by the Commissioner and such rules and regulations as may be promulgated by the Commissioner from time to time, during the hours determined by the Commissioner, for corporate aviation aircraft, general aviation aircraft landing at or using the Airport, or for aircraft other than those with respect to which there is an agreement with City for use of the Airport:

1. Monitoring airport traffic control tower and providing arrival and departure guidance, supervision of parking of aircraft, ramp assistance and fire guard service for departing aircraft, as required for its customers;
2. Flight line servicing of aircraft, including the sale and into-plane delivery of aviation fuels, lubricants and other related aviation products;
3. Sale and into-vehicle delivery of automotive fuel for airport ground vehicles
4. Transporting passengers, crew and ordinary hand baggage between aircraft and Lessee's hangar(s) or public passenger terminals on the Airport;
5. Providing FBO customer terminal services, including:
 - a. Assisting aircraft passengers and crew in obtaining local transportation, lodging, and general information on the Chicago area;
 - b. Maintaining weather teletype service or similar means of conveying current weather information,
 - c. Conveying messages to arriving or departing passengers and crew using Lessee's facilities;
6. Gathering, maintaining and reporting general aviation activity information;
7. Providing support for removal of disabled general aviation aircraft from the operational areas of the Airport;
8. Subject to the terms and conditions of Section 16.03 hereof, collecting landing fees on behalf of the City and remitting such landing fees to the City for a

fee of thirty percent (30%) of the landing fees payable by such users to the City and collected by Lessee,

9. Subject to any restrictions on Transfers which may arise under the terms and conditions of Article XIV hereof, making available hangar and aircraft tie-down space and parking space to aircraft owners and/or operators; and

10. Subject to any restrictions on Transfers which may arise under the terms and conditions of Article XIV hereof, leasing or renting office space to aircraft owners and/or operators for support of their aviation activities at the Airport

B. Secondary Commercial Support Services. Upon written approval of the Commissioner, Lessee may engage in any or all of the following activities:

- 1 Sale of airman materials and supplies, and other aeronautical items,
2. Leasing or renting equipment (excluding aircraft) in connection with the conduct of aviation-related activities;
3. Flight management or charter services for corporate aviation
4. Providing ground handling services for commercial air carriers, subject to restrictions that may be imposed by the Commissioner pursuant to (E) below.

C. Additional Rights. In addition to the above-described responsibilities and rights, and subject to the approval of the Commissioner, Lessee has the right to perform and conduct such other activities and operations consistent with the rights, privileges and responsibilities granted to Lessee which do not unreasonably interfere or conflict with the rights granted by the City to others on the Airport, but Lessee shall not conduct flight training in which student pilots take off or land at the Airport, or use the Airport for any flight activities whatsoever.

D. Rights to Airfield and Other Public Areas of the Airport. Lessee has the right to use, in common with others, the public facilities at the Airport, including, but not limited to, 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 or any other governmental agency

E. Restrictions on Use. Nothing stated in this Section 2.04 shall permit the conduct by Lessee of any business other than the activities described in this Section 2 04, and those other activities related and incidental to the performance of fixed base operator services. In the event that Lessee desires to perform any ground handling services on behalf of any commercial airline, Lessee may do so only after obtaining the prior written consent of the Commissioner, such consent to be given or withheld in each case in the sole and

absolute discretion of the Commissioner; provided, however, in an emergency situation, oral approval or consent of the Commissioner shall be sufficient. For the purposes of this Agreement, ground handling services include, but are not limited to, the handling of passengers of commercial or retail flights, including those situations in which traffic at the Airport may prevent the handling of such passengers at the terminal. In the event that the Commissioner approves the handling of retail passenger operations, Lessee shall provide shuttle services to the terminal for such passengers. In no event shall this provision be construed as permitting retail passenger operations by Lessee other than the incidental handling of passengers in irregular operation situations. Nothing in this Section 2.04 shall be construed as limiting Lessee's right to provide ground handling services to single entity specialty charters, including, but not limited to, sports teams and musical groups, which do not require passenger check-in, baggage, security or other facilities provided at the Airport's commercial passenger terminal.

F. Airport Fuel System. Lessee acknowledges and agrees that it shall use the Airport Fuel System as depicted in Exhibit F and that fuel charges not exceeding 125% of the amount paid by signatory airlines will be deemed reasonable. Lessee further acknowledges and agrees that Lessee shall not at any time during the Term of this Agreement or any extension thereof construct or install any fuel storage facilities on or beneath the Premises without the express prior written consent of the Commissioner, such consent being within the Commissioner's sole and absolute discretion.

Section 2.05 - Standards of Performance.

A. First Class Operation. The principal purpose of the City in entering into this Agreement is to fulfill the City's obligation to make available to the public and users of the Airport the products and services which Lessee is permitted to sell and render hereunder. Lessee accordingly agrees to conduct a first class commercial aviation support and fixed base operation. Lessee agrees construct the Improvements in accordance with Article 5 and to provide and maintain a hangar and office/terminal complex with the facilities, equipment, supplies, materials and personnel necessary to adequately provide the sales and services authorized in this Agreement, including a lounge or waiting room for passengers and crews, and accessible restrooms, all to be maintained in a clean and sanitary manner. Lessee shall maintain the Premises free and clear of debris, ice and snow.

B. Hours of Operation. Lessee shall be open for and shall conduct business and furnish services on a schedule consistent with such minimum standards as may be issued by the Commissioner for all fixed base operators at the Airport providing the primary commercial support services set forth in Section 2.04(A) above.

C. Signs. Any signs installed by Lessee on the Premises shall be limited to those which advertise the aircraft support services provided by Lessee. The number, general type, size, design, and location of such signs shall be subject to the prior written approval of the

Commissioner. Lessee is responsible for obtaining all other necessary permits.

D. Service Capacity. Lessee agrees not to accept any aircraft for servicing under this Agreement which cannot be accommodated on the Premises. Parking of aircraft to be serviced by the Lessee outside of the Premises is strictly prohibited.

Section 2.06 - Quiet Enjoyment. Subject to the provisions of this Agreement, City covenants that, so long as Lessee performs all of its obligations hereunder, it shall be entitled to and shall have the use and enjoyment of the Premises, and the rights and privileges granted to it hereunder. Lessee shall be entitled to lawfully and quietly occupy and enjoy the Premises during the term of this Agreement, provided Lessee is not in default of any of its obligations under this Agreement

Notwithstanding the foregoing, upon the giving of reasonable notice, which may in certain circumstances determined at the City's sole discretion be only by oral notice, Lessee shall allow City, its officers, agents or employees, free access to the Premises for the purposes of examining them to ascertain if Lessee is performing its obligations under this Agreement, and for conducting such other activities deemed reasonably necessary by the City. The operations of Lessee and its officials, agents, employees, contractors, guests, patrons, and invitees on the Premises 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 Lessee is not in compliance with this Section, at the written request of the Commissioner, Lessee shall immediately conform the demeanor or conduct of Lessee or its officials, agents, employees, contractors, guests, patrons, and invitees accordingly.

Section 2.07- Ingress and Egress. Subject to Airport Rules and Regulations, Lessee shall have the right and privilege (i) of ingress to and egress from the Premises and the public areas of the Airport, for its employees, agents, guests, patrons, and invitees, suppliers of materials, furnishers of service, and its equipment, vehicles, machinery and (ii) to provide transportation of its employees to, from, and within the Airport. Lessee shall not block or otherwise obstruct the common use taxiway or service roads with aircraft or ground vehicles, respectively, at any time or in any manner which will impair or adversely affect the use or operation of said taxiway or service road areas by City or other Airport users.

Section 2.08 - Present Condition of Premises. Subject to those exceptions explicitly set forth in Section 7.08(A), Lessee, by the execution of this Agreement, accepts the Premises "AS IS". Lessee shall be responsible for the compliance of the Premises with all applicable Federal, State, and local laws, statutes, codes, ordinances, rules, regulations, and orders, including any and all requirements set forth in Section 7.08 hereof. More specifically, Lessee agrees that it will bring all outdoor pavements within the Premises into compliance with FAA pavement design standards within three months of the effective date of this Agreement, at Lessee's sole cost and expense. Other than what may be explicitly provided for herein, the City shall have no obligation or responsibility

whatsoever to do any work or furnish any improvements of any kind to the Premises or perform any maintenance or repairs on the Premises. City makes no warranty as to the environmental conditions of the Premises or the airfield. CITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES OR THAT THE PREMISES SHALL BE SUITABLE FOR Lessee'S PURPOSES OR NEEDS. CITY SHALL NOT BE RESPONSIBLE FOR ANY LATENT DEFECT AND Lessee SHALL NOT, UNDER ANY CIRCUMSTANCES, WITHHOLD ANY RENT OR OTHER AMOUNTS PAYABLE TO CITY HEREUNDER ON ACCOUNT OF ANY DEFECT IN THE PREMISES BY ITS ENTRY ONTO THE PREMISES, Lessee ACCEPTS THE PREMISES AS BEING FREE AND CLEAR FROM ALL DEFECTS AND IN GOOD, SAFE, CLEAN, AND ORDERLY CONDITION AND REPAIR. Lessee waives any and all claims against the City regarding the condition of the Premises which may currently exist or which may arise in the future by 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 the Premises, provided, however, that such waiver does not extend to (i) Lessee's right to contribution from the City as may be provided under any Environmental Law, and (ii) fines and penalties for which the City would be liable, and Lessee would not be liable, under any Environmental Law

Section 2.09 - Accessibility. City and Lessee agree that Lessee shall have the responsibility to ensure that the Premises are in compliance with the Americans with Disabilities Act. Lessee shall submit a plan for achieving such compliance to the Commissioner within thirty (30) days of execution of this Agreement by Lessee

Section 2.10 - Covenant Against Waste. Lessee will not do or permit or suffer any waste, damage, impairment or injury to or upon the Premises or any part thereof.

ARTICLE III - TERM

Section 3.01 - Term. The term of this Agreement shall be for the period commencing on the Effective Date and terminating December 31, 2012, (the "Term") unless sooner terminated in accordance with the provisions set forth in this Agreement, or unless terminated at the option of Lessee in the event that Lessee fails to receive authorization to conduct fixed base operations or general aviation functions at the Airport by any governmental agency; provided, however, that Lessee shall give the City written notice no less than thirty (30) days prior to such termination.

Section 3.02 - Early termination. In addition to termination for default or condemnation, the City may terminate this Agreement by 90 days' prior written notice to Lessee in the event that the Premises are needed for other Airport or other public agency purposes. In the event of such termination, the City will use reasonable efforts to relocate Lessee to other Airport premises for the remaining term of this Agreement.

ARTICLE IV - RENT

Section 4.01 - Rent. In consideration of this Agreement for lease and use of the Premises, Lessee shall pay City sums in such form and amount as set forth below. For the purposes of this Agreement, all such sums are Rent.

Section 4.02 - Ground Rent. Lessee shall pay Ground Rent for the total square footage of land within the Premises excluding the square footage of land covered by Structures on the Premises according to the following schedule:

\$1.52 per square foot per annum

Section 4.03 - Building Rent. Lessee shall pay Building Rent for each of the various structures ("Structures") on the Premises in accordance with the following.

- Hangar at 5300-20 West 63rd Street \$4.60 per square foot per annum

Section 4.04 - Percentage Rent. In addition to the Ground Rent and Building Rent, Lessee shall also pay City a Percentage Rent on its gross revenues from non-fuel and fuel sales, as set forth below. All revenue shall be deemed to be received by Lessee at the time of determination of the amount due to Lessee for each transaction, whether for cash or credit, and not at the time of payment, unless otherwise specifically stated in this Agreement, or subsequently authorized in writing by the Commissioner; provided, however, that any taxes imposed by law which are separately stated and paid by the customer and are directly payable to the taxing authority by Lessee shall be excluded from the calculations set forth in this Section 4.04. Gross revenues means the aggregate amounts of all charges made by Lessee, or others acting on Lessee's behalf, in performing any services authorized pursuant to Section 2.04 of this Agreement, whether made on, in or from the Premises for cash, or credit or otherwise, or every kind, name and nature, regardless of when or whether or not paid. Gross revenues shall also include any rent, usage or access fees for use of the Premises or improvements thereon payable to Lessee by a customer or by a transferee pursuant to any Transfer. Gross revenues shall not include the revenues of a transferee, except to the extent that Lessee has delegated or subcontracted performance of any services authorized pursuant to Section 2.04 to the transferee.

A. Non-fuel sales. Two percent (2%) of the first \$1,000,000 of gross revenues; three percent (3%) of gross revenues over \$1,000,000 to \$4,000,000 per year; and four percent (4%) of gross revenues over \$4,000,000 per year, other than gross revenues from the sale of fuel.

B. Fuel sales. A fuel flowage fee of five percent (5%) of the annual average wholesale cost to Lessee of all fuel, including but not limited to automotive and aviation gas and jet fuel, sold by Lessee at the Airport, or any fuel pumped by Lessee on behalf of any person in the event that Lessee acts as an into-plane agent for such person, and such person has bought or sold fuel at the Airport, is not in privity with the City, and has not otherwise paid a percentage fee or fuel flowage fee to the City. This fuel flowage fee shall not apply

in the event that Lessee serves as an into-plane agent for commercial airlines and charter flights that are non-retail customers of Lessee. The annual average wholesale cost for purposes of the percentage fee payable to the City shall be calculated each November by averaging the cost paid by Lessee, for each type of fuel separately, to its suppliers at the Airport during the preceding twelve months and shall be effective beginning January 1 of the following year. Aviation gas or jet fuel purchased by Lessee for its own consumption or purchased by its parent company or any subsidiary in which Lessee's parent company has a minimum 50% ownership shall not be subject to this fuel flowage fee.

C. Minimum Guarantee Rent. The minimum annual guarantee (MAG) to be paid on the combined Percentage Rents pursuant to (A) and (B) shall be \$28,308.67 for the first year of this Agreement. In subsequent years, the MAG shall be the greater of the previous year's MAG or 85% of the Percentage Rents actually payable for the immediately preceding Agreement year. Each month Lessee shall pay the greater of the Percentage Rents payable or one-twelfth of the then-current MAG.

Section 4.05 - Landing Fees Lessee shall pay the current landing fees in effect at the Airport ("Landing Fees") for each landing at the Airport of any of its own aircraft, whether such aircraft are being operated by Lessee for one of the purposes authorized under this Agreement or for other purposes. Landing Fees shall not be assessed for any landing of an aircraft returning to the Airport after take-off because of meteorological conditions, mechanical or operating causes, or any similar emergency or cautionary reason. The Landing Fees payable by Lessee for its own aircraft shall not be subject to the 30% administrative fee for collection of others' landing fees as set forth in Section 2 04(A)(8).

Section 4.06 - Method and Manner of Payment. The Rent, including one-twelfth (1/12th) of the MAG, if applicable, shall be paid to City, without set-off, deduction or discount, in lawful money of the United States, at the Office of the City Comptroller, 333 South State Street, Room 402, Chicago, Illinois 60614, or to such other place or person as City may direct Lessee by written notice, and shall be made in monthly installments, due on the first of each calendar month, commencing on the first full calendar month following the Effective Date. Payments for partial months or calendar years may be appropriately prorated

Section 4.07 - Late Payments. Each and every installment of Rent accruing under the provisions of this Agreement which shall not be paid when due shall bear interest at the Default Rate, from the date when the same is due until the same shall be paid. All other sums becoming due or payable to the City under this Agreement, including, without limitation, all monies expended by the City pursuant to this Agreement or on account of any default by Lessee in the performance or observance of any of the covenants and agreements contained in this Agreement shall likewise bear interest from the respective dates when the same shall be advanced or paid by City, or otherwise due to City, at the rate per annum which shall be the lower of (a) the highest rate permitted by law or (b) the Default Rate, until the same shall be paid by Lessee to City. All sums so advanced or

paid by City shall become so much additional Rent under the terms of this Agreement, due and payable on the date of such advance or payment.

Section 4.08 - Security Deposit. On or before the Effective Date of this Agreement, Lessee shall pay to the City a security deposit in the amount of \$75,059.10, which sum shall be refunded to Lessee, less any sums which may be due and owing to the City, subsequent to the expiration or termination of this Agreement. Such security deposit may be in the form of cash or a letter of credit, which letter of credit shall be substantially in the form attached hereto as Exhibit E.

Section 4.09 - Rent Absolute. Lessee covenants and agrees that the Rent specified in this Article IV shall be absolutely net to the City, to the end that this Agreement shall yield net to City the entire Rent, and so that all costs, fees, interest, charges, expenses, real estate taxes, reimbursements and obligations relating to the Premises which may arise or become due during the Term (other than City's legal fees not otherwise covered by this Agreement) shall be paid or discharged or caused to be discharged by Lessee as so much additional Rent, and Lessee covenants and agrees that City shall be indemnified and saved harmless by Lessee from and against all such costs, fees, interest, charges, expenses, real estate taxes, reimbursements and obligations.

Section 4.10 - Lessee Books and Records; Audits. Lessee shall maintain or make available at its offices at the Airport, books, records, and accounts relevant to the determination of any sums owed to City under this Agreement, including, without limitation, records of its operations at the Airport and gross revenues earned. Lessee at its own expense shall promptly furnish the Commissioner and City Comptroller with all information reasonably requested by them with respect to such books, records, and accounts.

Lessee shall provide an annual report no later than June 30 of each year showing month by month gross revenues for the preceding Agreement year ended December 31. The annual report shall be prepared by an independent certified public accountant in accordance with generally accepted accounting principles and shall include an opinion from the accountant the amounts reported accurately reflect the amounts earned.

The Commissioner and City Comptroller, and such persons as may be designated by them, shall have the right, at all reasonable times but no more frequently than annually, subject to 15 days' prior written notice to Lessee, to audit, examine, make copies of, and take extracts from Lessee's books, records, and accounts. In the event that (i) an audit reveals any discrepancy of greater than 2.5% of the gross revenues earned by Lessee as compared to gross revenues reported to the City, and (ii) such error resulted in an underpayment of Percentage Rent by Lessee to the City, Lessee shall reimburse the City for any and all of the City's expenditures for such audit. In the event that an audit reveals a discrepancy of 2.5% or less, Lessee shall pay one-half the reasonable costs of such audit. Failure of Lessee to reimburse the City for an audit is an event of default, and in addition to any other remedies available to the City, Lessee will be liable for all of the

City's costs of collection, including any court costs and attorneys' fees.

Lessee shall include a similar clause granting the City a right to audit in any agreement with a Transferee whereunder the Transferee is conducting business on behalf of Lessee, the gross revenues of which are subject to Percentage Rent under this Agreement.

ARTICLE V- CONSTRUCTION, MAINTENANCE & REPAIR

Section 5.01 - Improvements. No construction or improvements are anticipated or authorized under this Agreement, other than those needed to maintain the Premises in proper working order and in accordance with Airport standards. Any other improvements contemplated by Lessee, including pavement, facilities and equipment, are subject to the prior written approval of the Commissioner and are undertaken at Lessee's own expense, with no rights to reimbursement nor amortization and must comply with all federal, state and local laws and requirements for such improvements. Lessee shall be liable for the costs of removal of any unauthorized improvements and the cost of returning the Premises to the condition in which they were in prior to the unauthorized improvements.

Section 5.02 - Construction Requirements.

A. Any construction of any authorized improvements shall commence only after Lessee obtains (except as provided in D below) any requisite building or construction licenses or permits as may be required by federal, state or local laws or regulations. The construction of any improvements shall be in conformance with all applicable City codes, ordinances, order and regulations and FAA regulations, whichever are more restrictive, and the conduct of performing such work shall be in accordance with the procedures and standards set forth in Exhibit C attached hereto, and subject to the additional legal requirements of Articles VII and VIII hereof

B. A construction application together with plans and specifications of any proposed improvements (including any substantial alteration or addition thereto), a proposed schedule and evidence of insurance coverages required by Article X shall be submitted to the Commissioner for her written approval before commencement of any improvements. Lessee shall require any contractor for improvements to furnish a payment and performance bond in form and substance acceptable to the Commissioner. Commissioner's approval shall be absolute and may be withheld in her sole discretion. Commissioner's approval of any plans and specifications shall not constitute a zoning approval or approval for other purposes or by other agencies or divisions of the City. Any professionals employed by or contracted with by Lessee shall be properly licensed and insured to perform their work.

C. City shall have the right at all times to inspect any and all work. Notwithstanding its right of review and inspection, the City shall in no way be deemed responsible for any such work, or the failure of such work to be completed in accordance with approved plans and specifications, or any applicable laws, codes, statutes, rules or regulations. Any work performed in connection with any improvements to the Premises at the direction of Lessee, even though performed by contractors, subcontractors or others of any and all tiers working through them, shall be the responsibility of Lessee. All work shall be performed in accordance with the plans and specifications and other documents submitted to and approved by the Commissioner, and any applicable federal, state or local laws, codes, ordinances, statutes, rules, regulations and those requirements set forth in Articles VII and VIII hereof.

D. The City is responsible for obtaining FAA approval of changes in the Airport Layout Plan, but Lessee or its contractor shall prepare any required Section 7460 notice of intent to construct. The City will require seven business days to review the notice prior to submission to the FAA, and the FAA typically requires 45 to 90 days to approve. Lessee acknowledges that the FAA may impose covenants or restrictions as a condition of its approval. Compliance with such covenants or restrictions are an essential condition of this Agreement, and failure to comply will be grounds for declaring an event of default.

Section 5.03 - Title. City and Lessee mutually agree that the improvements on the Premises and any and all other proposed improvements constructed on the Premises shall become and remain the property of City upon their completion.

Section 5.04 - Liens Prohibited. Lessee shall keep the Premises free and clear of any and all liens in any way arising out of the construction, improvement, or use thereof by Lessee; provided, however, Lessee may in good faith contest the validity of any lien, provided such contest does not impair the City's rights with respect to the Premises. City's rights to the Premises and the Airport are and always shall be paramount to the interests of Lessee in the Premises. Nothing herein contained empowers Lessee to commit or engage in any act which can, shall, or may encumber the rights of City. In no event shall this Agreement or any rights or privileges hereunder be an asset of Lessee under any bankruptcy, insolvency, or reorganization proceedings.

Section 5.05 - Maintenance and Repair

A. Lessee acknowledges and agrees that the maintenance of the Premises by Lessee is an essential condition of this Agreement, and Lessee agrees to perform or cause to be performed all necessary preventive maintenance, repairs, replacements and improvements to the Premises at Lessee's sole cost and expense, including bringing the pavements of the Premises into compliance with FAA pavement design standards, as set forth in Section 2.08 above. Lessee shall at all times:

1. Keep the Premises and all fixtures, equipment and personal property in a clean,

safe, and orderly condition and appearance;

2. Maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs, replacements, and painting, such repairs, replacements, and painting by Lessee shall be of a quality not inferior to the standards set forth in any rules and regulations adopted by City for the Airport;

3 Control all of its vehicular traffic on the Airport and take all precautions reasonably necessary to promote the safety of its passengers, customers, business visitors, and other persons, and employ such means as may be necessary to safely direct the movements of its vehicular traffic;

4. Remove all snow from all ramps, hangar taxiways and paved areas on the Premises.

5. Either directly or through a licensed independent contractor, dispose of its garbage, debris, and other waste materials at properly permitted facilities

B. If the performance of any of the foregoing maintenance, repair, replacement, or painting obligations of Lessee requires work to be performed near an active taxiway or runway or where safety of airport operations might be involved, Lessee shall post guards or erect barriers or other safeguards as required and approved by the Commissioner at such locations prior to Lessee's performance of any such maintenance, repair, replacement or painting.

C. City has the right to inspect the Premises and direct Lessee to make ordinary repairs. City will provide reasonable notice prior to such inspection, unless in an emergency situation, and will notify Lessee's representative on the Premises at the beginning of any such inspection.

D. Each January, Lessee must provide the City an annual report detailing repairs or replacements made during the preceding year that exceeded \$20,000 (twenty thousand dollars).

Section 5.06 - Repairs Necessitated by Casualty.

A. In the event the Premises are damaged or destroyed, in whole or in part, (regardless of the cause thereof) Lessee covenants and agrees that Lessee, at its own expense (notwithstanding insufficiency of insurance proceeds), shall repair, restore or rebuild any building or other improvement so damaged, injured or partially destroyed, or erect, finish and complete a like new building and improvements on the Premises. Any such repair, restoration, or rebuilding or construction of a new building is herein sometimes referred to as a "Restoration "

B. Insurance proceeds shall be made available for Restoration on the terms and

conditions set forth in this Section. In the event that the Premises, or any portion thereof, are damaged or destroyed by fire or other casualty, Lessee, after consultation with City, and subject to the limitations set forth in this Section, shall repair, reconstruct or restore the damaged or destroyed premises to (i) substantially the same condition, character and utility value as existed prior to the event causing such damage or destruction, or (ii) such other condition, character and value as may be agreed upon by City and Lessee; provided, however, that in the event that the damage, and the insurance proceeds therefrom, are less than \$100,000, Lessee may effect such repairs, reconstruction or restoration as Lessee may deem reasonably necessary.

C. Lessee shall provide prompt written notice to the City of any event that may require a Restoration. Within sixty (60) days of the date of such notice, Lessee shall provide to the City plans and specifications for such Restoration, which plans and specifications are subject to City review and approval. Upon approval of such plans and specifications, Lessee shall immediately proceed to diligently perform the Restoration and complete such Restoration in a timely manner. In the event that Lessee fails to diligently perform the Restoration or complete the Restoration in a timely manner, the City may exercise its rights under Section 13.06 of this Agreement.

D. Prior to making any Restoration of more than \$100,000, Lessee shall in good faith estimate the cost of the Restoration and furnish City supporting estimates by a reputable, experienced architect, engineer and contractor qualified to make such estimate. Any insurance proceeds greater than \$100,000.00 shall be made payable to both City and Lessee. If Lessee does not commence a Restoration promptly upon City approval of the plans and specifications for such Restoration, or if the Agreement expires or terminates at any time for any reason prior to application of all insurance proceeds, then all insurance proceeds shall be payable solely to City.

E. Without limiting any of the other terms hereof, it is expressly understood and agreed that, except and to the extent provided herein, no loss or partial destruction of or damage to the Premises or the buildings or other improvements from whatsoever cause, shall operate to terminate this Agreement or to relieve or discharge Lessee from its liability to pay the full Rent and additional charges payable under this Lease, or to relieve Lessee from any of its other obligations under this Agreement. Except and to the extent provided herein, Lessee waives any right now or hereafter conferred upon it, whether by statute or otherwise, to surrender this Agreement or possession of the Premises or any part thereof, or to obtain any suspension, diminution, abandonment or reduction of Rent, on account of any such loss, damage or destruction to the buildings or any other property at the Premises.

ARTICLE VI - MAINTENANCE AND OPERATION OF AIRPORT

Section 6.01 - City's Obligations.

A. City will operate and maintain in a manner consistent with that of a reasonably prudent

operator of an airport comparable to the 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 City, serving the Premises but located outside the Premises, 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.

B. City retains the right to enter upon the Premises at any time without such entering causing or constituting a termination of this Agreement or an interference with the possession of the Premises by Lessee, and do all things necessary to operate and maintain water mains and sewer mains that may exist beneath the surface of the Premises. 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 Premises that are used exclusively by Lessee.

Section 6.02 - Lessee's Remedy. In the event that the City fails to cure any failure in its performance of its obligations under Section 6.01 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 as addressed in Section 12.01 hereof, Lessee's sole and exclusive remedy is to terminate this Agreement by providing notice to the City pursuant to the terms of Article XV hereof

ARTICLE VII - ADDITIONAL OBLIGATIONS OF Lessee

Section 7.01 - Taxes. Lessee shall pay such taxes or special assessments, if any, which may be levied or assessed upon Lessee's interest in the Premises. Lessee 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 Lessee from contesting such charge or tax, including those taxes or charges enacted or promulgated by City.

Section 7.02 - Utilities. Lessee shall be responsible for payment of all costs of utilities for the Premises, including, but not limited to, electricity and telephone service

Section 7.03 - Permits, Licenses. Lessee shall be responsible for obtaining, at its own expense, all necessary governmental approvals, inspections, permits, or licenses needed in connection with the Premises, any business conducted thereon, or any Work performed thereon.

Section 7.04 - Compliance with All Laws. Lessee shall comply with all applicable federal, state, and local laws, codes, regulations, ordinances, rules, and orders; provided, however, that Lessee may, without being considered to be in breach hereof, contest any such laws so long as such contest is diligently commenced and prosecuted by Lessee and does not jeopardize the health or safety of persons at the Airport or Airport

operations.

Section 7.05 - Compliance with City/State Requirements. Lessee 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 without limitation such certifications as are listed below.

A. Economic Disclosure Statement and Affidavit Lessee shall execute an affidavit 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 of Chicago; and Section 2-92-320 of Chapter 2 of the Municipal Code of Chicago, respectively.

B. Anti-Scofflaw. 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 City under this Agreement or permitted at law or in equity, City shall be entitled to set off a portion of any amounts due Lessee by 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 Lessee to 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 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 Lessee from City under this Agreement if one or more of the following conditions are met:

1. Lessee 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 City and Lessee is in compliance with the agreement; or
2. Lessee is contesting liability for or the amount of the debt in a pending administrative or judicial proceeding; or
3. Lessee has filed a petition in bankruptcy and the debts owed City are dischargeable in bankruptcy.

C. Ethics. Lessee shall comply with Chapter 2-156 of the Municipal Code of Chicago, "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 such Chapter shall be voidable as to City.

D. MacBride Principles. 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 Lessee conducts any business operations in Northern Ireland, it is hereby required that Lessee 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).

E. Inspector General. It shall be the duty of Lessee and all officers, directors, agents, partners, and employees of Lessee to cooperate with the Inspector General of City in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code of Chicago. Lessee understands and will abide by all provisions of Chapter 2-56 of the Municipal Code of Chicago

F. Americans with Disabilities Act. Any and all designs for Improvements that will be designed and built by or on behalf of Lessee 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), 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.* (1991), 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, Lessee shall comply with the standard providing greater accessibility.

All construction or alterations undertaken by Lessee in connection with this Agreement 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), 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.* (1991), and the regulations promulgated thereto at 71 Ill. Admin. Code Ch. 1, Sec. 400.110.

G. Conflicts of Interest. Lessee 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 Lessee.

Lessee 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 Lessee 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 Lease or any financial benefit to arise from it.

Section 7.06 - Non-discrimination.

A. Federal Requirements It shall be an unlawful employment practice for Lessee (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. Lessee shall comply with The Civil Rights Act of 1964, 42 U.S.C. sec 2000 *et seq.* (1981), 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, P.L. 101-336; and 41 C.F.R Part 60, *et seq* (1990).

B. State Requirements Lessee 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, Lessee shall comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 *et seq* , as amended

C. City Requirements. Lessee shall comply with the Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 *et seq.* of the Municipal Code of Chicago, as amended. Further, Lessee 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 7.07 - Affirmative Action Program and MBE/WBE Requirements. Lessee 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 insure that no person shall on the grounds of race, creed, color, religion, age,, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. Lessee 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 Lessee assures that it will require that its covered suborganizations provide assurances to Lessee 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, Lessee also agrees to

implement a program consistent with the provisions of Exhibit D, attached hereto and incorporated by reference herein.

Section 7.08 - Compliance With Environmental Laws

A. Pre-Existing Conditions. For the purposes of this Section 7.08, the presence of any Hazardous Material or Special Waste on the Premises that would give rise to liability to any person, or violate any Environmental Law, shall be known as an "Environmental Condition." Any Environmental Condition existing on any portion of the Premises prior to the Effective Date is hereby designated a "Pre-Existing Condition." The parties agree that there are no Pre-Existing Conditions on the Premises.

B. Compliance with Environmental Laws. Lessee shall comply with all laws relating to the environment, including, without limitation, 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, Special Wastes or other contaminants into the environment and to the generation, use, storage, transportation, or disposal of solid wastes, Hazardous Materials, Special Wastes or other contaminants including, without limitation, the Comprehensive Environmental Response and Compensation 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 Clean Water 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 of Chicago; additionally, any analogous future or present local, state or federal ordinance or statute, rule and regulation promulgated under or pursuant to 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 Materials 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")

If Lessee is required pursuant to any Environmental Laws to file any notice or report of a release or threatened release of Hazardous Materials or Special Wastes on, under or about the Premises, Lessee shall provide a copy of such report or notice to the City. In the event of a release or threatened release of Hazardous Materials or Special Waste into the environment, or in the event of any claim, demand, action or notice is made against Lessee regarding Lessee's failure or alleged failure to comply with any Environmental Law, Lessee shall immediately notify the City.

City shall have reasonable access to the Premises to inspect the same to confirm that Lessee is using the Premises in accordance with Environmental Laws. Lessee, at the reasonable request of City and at Lessee's expense, shall conduct such testing and analysis as is necessary to ascertain whether Lessee is using the Premises in compliance with all Environment Laws. Any such tests shall be conducted by qualified independent environmental consultants chosen by Lessee and subject to City's reasonable approval. Copies of any reports or test results shall be provided to City.

In addition to any other remedy afforded at law, in equity or by the terms of this Agreement, if Lessee fails to comply with any Environmental Law which results in, or may result in, a material adverse impact to the Premises or potential liability to the City, the City may (i) enter the Premises and take necessary measures to insure compliance with Environmental Laws, including, but not limited to, testing and soil sampling, all at Lessee's expense, and/or (ii) terminate this Agreement in accordance with the default provisions of this Agreement

City makes no warranty, express or implied, regarding the condition of any underground storage tanks on the Premises, the presence of Hazardous Materials and Special Wastes on the Premises, that the Premises are free of Hazardous Materials and Special Wastes, or any other environmental contaminant. In the event that City is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Premises or improvements thereon, Lessee shall defend City and indemnify City for any costs, damages or fines that might be found against City; provided, however, that Lessee 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 Premises or the negligence of the City. Lessee'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.

Lessee's liability and obligations under this Section shall survive the termination of this Agreement. Lessee hereby waives any right of action or claim pursuant to any Environmental Law against the City, its officers, officials, agents or employees except for Environmental Conditions for which the City is determined by a court of competent jurisdiction to have been the direct and proximate cause.

C. Environmental Permits. Lessee must show evidence of, and keep current throughout the term of this Agreement, all waste hauling, Special Waste hauling, disposal permits and insurance certificates required by Federal, state, City or other local governmental body or agency pursuant to any Environmental Law.

When requested by the Commissioner, Lessee shall submit copies of all hauling 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.

D. Environmental Records and Reports Lessee 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, but not limited to, the following:

1. Vehicle maintenance records
2. Safety and accident reports
3. IEPA or OSHA manifests
4. Disposal records, including disposal site used, date, truck number and disposal weight.
5. 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 Lessee's obligations or liability under the terms and conditions of this Agreement or any Environmental Law

E. Disposal of Materials, Construction and Demolition Debris, Soil and Waste

Lessee shall be responsible for the proper disposal of all materials, construction and demolition debris, soil and other waste generated by Lessee's business operations, including but not limited to the construction of capital improvements, or Lessee's activities as set forth in Section 7.08. Hauling and disposal by a subcontractor does not relieve Lessee 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. Lessee shall identify the disposal site(s) or transfer station(s) to which it has contractual access and for which proper, sanitary landfill 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. Lessee understands and agrees that Lessee, unless otherwise authorized in writing by the Commissioner, shall not continue to use a disposal/handling site that (i) has been cited as being in violation of any environmental law or regulation or of any City ordinance or (ii) does not have a necessary permit. If only one site was identified by Lessee, Lessee shall arrange for a substitute disposal/handling site. Lessee further understands and agrees that any such substitution shall be at no additional cost to the City, regardless of the reason necessitating such substitution.

Lessee shall haul, or cause its contractors to haul, materials, including but not limited to 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. ASG's and its contractors' equipment shall fully comply with all City, state and federal regulations, laws and

ordinances pertaining to size, load weight, safety and any Environmental Law.

Upon request by the Commissioner, Lessee 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 the proposed transfer station and/or landfill. In the event that the transfer station and/or landfill proposed for use by Lessee does not possess the necessary permits and/or licenses to accept the materials, construction debris, soil or other wastes, Lessee will replace the transfer station and/or landfill submitted as part of their bid proposal at no additional cost to the City. If Lessee disposes of materials, construction debris, soil or other wastes at a site which is not properly permitted, Lessee shall be responsible for all costs associated with the removal of the waste to a properly licensed/permitted landfill or disposal site.

Lessee shall notify the Commissioner within 24 hours of receipt of any environmental complaints, fines, citations, violations or notices of violation ("Claim") by any governmental body or regulatory agency against Lessee or by any third party relating to the loading, hauling or disposal of materials, construction debris, soil or other wastes. Lessee will provide evidence to the Commissioner that any such Claim has been addressed to the satisfaction of the issuer or initiator of such Claim.

Lessee 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 Lessee is asked to participate.

Lessee shall verify, in writing, whenever requested by the Commissioner, that all materials, construction debris, and other waste accepted by Lessee from the City of Chicago, has been disposed of in compliance with all Environmental Laws.

Non-compliance with these terms and conditions may affect Lessee's eligibility for future contracts.

Section 7.09 - Contractors. Lessee agrees that all of the provisions of this Article VII pertaining to compliance with Environmental Laws 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. Lessee 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, Lessee 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 7.10 - Indemnification. In addition to the indemnifications set forth elsewhere in this Agreement, Lessee 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 Lessee's operations of Hazardous Materials and Special Wastes on the Premises or the subsurface thereof or the violation of any Environmental Laws due to Lessee'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 Lessee's operations or violation of any Environmental Laws), or (b) any aggravation of any condition on the Premises caused, directly or indirectly, by Lessee's operations, or (c) any breach by Lessee of any of its warranties, representations or covenants in this Article VII. Lessee'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 Premises or Lessee's operations at the Airport.

ARTICLE VIII - AIRPORT MATTERS

Section 8.01 - Airport Rules and Regulations. Lessee 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 (i) inconsistent with the exercise by Lessee of any right or privilege granted to it hereunder or under any other agreement between Lessee and City relating to the Airport, nor (ii) 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 Lessee unless it has been given fifteen (15) days prior written notice of the adoption thereof.

Section 8.02 - Other Legal Requirements. Lessee shall comply, and shall cause its contractors to comply, with all applicable federal, state and local laws, codes, regulations, ordinances, rules and orders including, without limitation, those promulgated by the FAA or the TSA, 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 Lessee 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. Lessee 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. Lessee 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 Premises. 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. Lessee, 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 Lessee shall use the Premises 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 Lessee, City shall have the right to terminate this Lessee and to reenter and repossess the Premises and the facilities thereon, and hold the same as if this Agreement had never been executed.

D. Non-Discrimination in Furnishing Services. Lessee 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, at charges which are fair, reasonable and non-discriminatory; provided that reasonable discounts, rebates or other similar types of price reductions may be made to volume purchasers.

Section 8.03 - Airport Agreements. Lessee's use and occupancy of the Premises shall be and remain subject to (i) the provisions of any existing or future agreements between City and the United States government, FAA, TSA 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, without limitation, grant agreements, and (ii) any use agreement heretofore or hereafter executed by the City with airlines operating at the Airport, including, without limitation, the Midway Airport Use Agreement and Facilities Lease 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 8.04 - Airport Security Acts. This Agreement is expressly subject to the various Airport Security Acts, as amended from time to time, the provisions of which are hereby incorporated by reference, including, without limitation and all rules and

regulations promulgated thereunder. Lessee shall be subject to, and further shall conduct with respect to its contractors, subcontractors, suppliers of materials, or providers of services and the respective employees of each, such employment investigations, including criminal history record checks, as the Commissioner or the FAA or TSA may deem necessary. Further, in the event of any threat to civil aviation, as defined in the Airport Security Acts, Lessee shall promptly report any information in accordance with those regulations promulgated by the Secretary of the United States Department of Transportation and by City. Lessee shall, notwithstanding anything contained herein to the contrary, at no additional cost to City, perform under this Agreement in compliance with those guidelines developed by City, the TSA and the FAA with the objective of maximum security enhancement.

Section 8.05 - Airport Noise Restrictions Lessee 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 Premises as an aircraft maintenance facility or otherwise.

Section 8.06 - Regulating the Airport; Airport Operation City reserves the right to regulate, police and further develop, improve, reconstruct, modify or otherwise alter the Airport in City's sole discretion. City reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport. 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 Premises by Lessee from outside the Airport from dedicated public streets.

Section 8.07 - Obligations Regarding Disabled Aircraft.

Lessee agrees to possess or contract for sufficient equipment and trained personnel to remove disabled aircraft that cannot be taxied from any movement area of the Airport (runways and taxiways) for which aircraft Lessee has provided or was intended to provide services, in accordance with this Agreement, at the Airport. Sufficient equipment and trained personnel is agreed to be comprised of equipment and trained personnel to remove any aircraft, for which Lessee provided or was intended to provide services, pursuant to this Agreement, within one half hour of the time that the aircraft becomes disabled. Lessee also agrees to provide a plan for removal of a disabled aircraft for which Lessee has provided or was intended to provide services, pursuant to this Agreement, to the Commissioner within one half hour from the time the aircraft becomes disabled.

Lessee shall remove or cause to be removed from any movement area of the Airport any aircraft with flat tire(s) that Lessee intended or was requested by the pilot of such aircraft to provide services within one half hour of such flat tire(s).

Lessee shall demonstrate its ability to meet the requirements for equipment and trained personnel under this Section, upon request at any time, of the Commissioner or his representative by exhibition of the equipment and trained personnel available or by production of a contract providing for the provision of the equipment and trained personnel required by this Section.

The failure of Lessee to demonstrate its ability to fulfill the requirements of this Section, either upon the request of the Commissioner or his representative, or upon the occasion of a disabled aircraft, shall subject Lessee to a fine payable to the City of \$5,000.00 for each half hour which elapses while Lessee fails to meet the requirements of this Section.

ARTICLE IX - EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

Nothing contained herein shall impair the right of City, in the exercise of its governmental functions, to require Lessee to pay any tax or inspection fees or to procure necessary permits or licenses. Nothing herein shall be construed to prevent Lessee from contesting in good faith any tax or inspection fee so long as such contest is diligently commenced and prosecuted by Lessee

Nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to Lessee to operate motor coaches, buses, taxicabs or other vehicles carrying passengers or property for hire or other consideration over the public ways to and from the Airport.

ARTICLE X - INSURANCE

Section 10.01 - Required Insurance Coverage.

Lessee shall provide and maintain at all times, at Lessee's own expense during the term of the Agreement and during any period subsequent to the expiration of the Term if Lessee 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 Lessee, its contractors or subcontractors. The kinds and amounts of insurance required are as follows:

Workers' Compensation and Occupational Disease Insurance - Workers' Compensation and Employers Liability Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement with limits of not less than \$500,000 each accident or illness.

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 Lessee's performance under this Agreement.

Automobile Liability Insurance - When any motor vehicles are used in connection with work to be performed by or on behalf of Lessee, Lessee shall provide Automobile Liability Insurance with limits of not less than \$5,000,000, per occurrence, for bodily injury and property damage.

All Risk Builders Risk Insurance - When Lessee undertakes any work at the Airport, including improvements, betterments, or repairs, Lessee 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.

All Risk Property Insurance - Lessee 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.

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 10.02 - Additional Obligations of Lessee Regarding Insurance

A. Lessee 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. Lessee shall submit evidence of insurance on the City of Chicago 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 Lessee shall not be deemed to be a waiver by the City. Lessee shall advise all of its insurers of the provisions of this Agreement pertaining to insurance. Non-conforming insurance shall not relieve Lessee 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 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 Lessee.

D. Lessee shall require all contractors to carry the insurance required herein, or Lessee may provide the coverage for any or all contractors or subcontractors, and, if so, the evidence of insurance submitted shall so stipulate.

E. Lessee expressly understands and agrees that any insurance coverages and limits furnished by Lessee shall in no way limit Lessee's liabilities and responsibilities specified within the Agreement, in equity, or at law.

F. Lessee hereby waives, and shall cause each of its contractors to waive, its rights of subrogation against City, including 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, Lessee 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. Lessee expressly understands and agrees that any insurance maintained by City shall apply in excess of and not contribute with insurance provided by Lessee under this Agreement.

H. Lessee 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 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. City maintains the right to modify, delete, alter or change the requirements set forth under this Section

ARTICLE XI - LIABILITY

Section 11.01 - Indemnity. Lessee 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 Lessee, its officials, agents, employees, and subcontractors, including but not limited to, 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 Lessee 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. Lessee 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 Lessee of any of its obligations under this indemnity provision, provided that the Indemnified Parties and their respective attorneys shall coordinate and cooperate with Lessee's attorneys. Lessee 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 Lessee'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.

Section 11.02 - Release of City.

A. The City shall not be liable to Lessee, or to Lessee'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 Lessee'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 Lessee or any of the above described parties is not covered by insurance.

B. The City shall not be liable to Lessee for damage to property of Lessee or any loss of revenues to Lessee 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 Lessee is not reimbursed by insurance

C. Notwithstanding any reference herein to Lessee'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.

Section 11.03 - Limitation on City Liability No official, employee, or agent of City shall be charged personally by Lessee, or by any assignee or contractor of Lessee, 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. Lessee (and any person claiming by or through Lessee) shall look solely to legally available Airport discretionary funds from time to time up to the Maximum Limit. The term "Maximum Limit" means the fair market value of the City's interest in the Premises, as encumbered by this Agreement. The Maximum Limit shall be an aggregate limit over the term of this Agreement and shall be reduced by any prior payments or credits by City on account of a breach or default (or alleged breach or default) made with respect to the Premises. The Maximum Limit shall be determined as of the date of the City's liability for any breach or default is adjudicated. Such exculpation of liability shall be absolute to the full extent permitted by law and without any exception whatsoever.

Section 11.04 - City Approvals. Nothing herein is intended nor shall it be construed to provide any limitation upon Lessee's obligation to comply with the terms and conditions of this Agreement. No City review or approval of any act of Lessee or document provided

by Lessee, including, but not limited to, plans and specifications, shall in any way serve to attenuate, diminish or otherwise limit Lessee'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.

Section 11.05 - Survival Beyond Termination of this Agreement. Lessee's obligations under Section 7.08 and this Article XI shall survive the termination of this Agreement

ARTICLE XII - ABATEMENT OF OBLIGATION TO PAY

Section 12.01 - Abatement in the Event of Closing. In the event that for a period of time in excess of five (5) consecutive days the Airport is closed by any order or direction of City or any other governmental authority or agency, or by any order or direction of any court of competent jurisdiction and not stayed by way of appeal or otherwise, then the sole and exclusive remedy of Lessee shall be that the Ground Rent and Building Rent payable by Lessee shall abate for the period of such closing.

Section 12.02 - Right to Abatement Limited. Except as otherwise expressly set forth herein, Lessee shall have no right to abatement or set-off of Rent of any kind. There shall be no abatement or reduction of Rent or deletion from the Premises where the unusable condition is caused by the willful or negligent act or omission of Lessee, its agents, employees, licensees, contractors, subcontractors, or invitees.

ARTICLE XIII - DEFAULT AND TERMINATION

Section 13.01 - Events of Default. Each of the following shall be an event of default under this Agreement:

A. Lessee shall become insolvent (as such terms is defined under Section 101 of the Federal Bankruptcy Code, 11 U.S.C 101 *et seq.* (the "Code"), or any successor statute thereto); 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. Lessee shall file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the 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 Lessee under any chapter of the Code

C. By order or decree of a court, Lessee 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

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 Code or an action under any Federal or State insolvency statute shall be filed against Lessee 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 Lessee and such possession or control shall continue in effect for a period of sixty (60) days.

F. Lessee shall become a corporation in dissolution

G. The letting, license, or other interest of or rights of Lessee 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 13 01.

H. Lessee shall fail to duly and punctually pay any Rent required to be paid hereunder or shall fail to make payment when due of any other sum required to be paid to 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 Lessee by City

I Lessee shall fail to keep, perform, and observe any promise, covenant, or other provision of this Agreement, other than the obligation to pay Rent, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by 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 City's right to terminate this Agreement if corrective action is instituted by Lessee within such thirty (30) day period and diligently pursued until the failure is remedied.

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

K. Lessee shall cease using or abandon substantially all of the Premises for a period of ninety (90) days in any twelve-month period

L. Lessee shall make any purported Transfer without the consent of City as set forth in

Article XIV

M Lessee shall fail to maintain its corporate existence, or to remain duly qualified to do business in the State of Illinois, or Lessee 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 Lessee consolidates with or merges into an Affiliate; or

N Lessee fails to receive authorization to conduct fixed base operations or general aviation functions at the Airport by any governmental entity, or the FAA objects to or disapproves this Agreement.

Section 13.02 - City's Remedies.

A. Whenever an Event of Default has occurred and is continuing, 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 Lessee hereunder, without discharging any of Lessee's obligations hereunder and, at City's further option, exclude Lessee from the Premises, or

2. without terminating this Agreement, exclude Lessee from the Premises and attempt to grant such Premises to another party for the account of Lessee, holding Lessee liable for all payments due hereunder up to the effective date of such grant and for the excess over the Rent and other amounts which are paid by such new party under such new agreement, if any, of other amounts payable by Lessee under this Agreement for the remainder of the term of 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 City at law or in equity. In addition, City may, from time to time, take whatever action at law or in equity appears necessary or desirable to collect Rent and any other amounts payable by Lessee hereunder then due and thereafter to become due, and to enforce the performance and observance of any obligation, agreement, or covenant of Lessee under this Agreement

C. All rights and remedies hereinbefore given to City and all rights and remedies given to City by law, shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Premises shall deprive City of any of City's remedies or actions against Lessee for Rent or for any other sum required to be paid to 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 Premises.

Section 13.03 - Removal of Lessee's Property.

A The personal property placed or installed by Lessee in the Premises shall remain the property of Lessee and must be removed on or before the expiration of the term or the expiration of any extension or renewal thereof at Lessee's sole risk and expense. Any damage to the Airport, the Premises, or any fixtures located therein, resulting from such removal shall be paid for by Lessee. In the event of the termination of this Agreement, by default or otherwise, Lessee shall have thirty (30) days after such termination during which to remove such property, provided, however, City shall have the right to assert such liens against said property as City may by law be permitted. So long as any such property remains in the Premises, Lessee's obligation to pay City Rent and any other sums which may be due the City under the Agreement shall continue

B. If Lessee's property is not removed as herein provided, City may, at its option, deem such property abandoned and keep such property or after written notice to Lessee and at Lessee'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 Lessee to City, and any balance remaining shall be paid to Lessee.

Section 13.04 - Condemnation.

A Any condemnation or taking of such a substantial part of the Premises that results in the Premises being unsuitable or incapable of being used for the purposes stated herein, is hereafter referred to as a "Total Taking." In the event of a Total Taking, this Agreement shall be terminated as of the date of the filing of the petition to condemn. Lessee may thereafter petition the Court for an award of the value of its interest, which may include the amount of the unamortized construction costs under Section 4.02. Lessee shall apply any such award to the defeasance of any outstanding Special Facility Revenue Bonds issued by the City for use and repayment by Lessee.

B. In the event of a taking of the Premises other than a Total Taking (a "Partial Taking"), this Agreement shall remain in effect as to the remaining portion of the Premises and, if the proceeds of any award received by City on account of such Partial Taking are sufficient to restore or replace the Premises so taken, City shall deposit the proceeds of the award with respect to the Premises in a construction fund and City shall forthwith (subject to unavoidable delays) apply such proceeds to the restoration or replacement of the Premises so taken as nearly as possible to (i) such condition, character, and utility value as existed prior to such Partial Taking or (ii) to such other condition, character, and value as may be agreed upon by City and Lessee. If for any reason the proceeds of an award received by City for a Partial Taking are in excess of the amount necessary to restore or replace the Premises, the amount of such excess shall be paid to City. If such proceeds are insufficient to replace or restore the Premises as provided in (i) and (ii)

above, City shall not be required to restore or replace in excess of the proceeds of such awards

Section 13.05 - No Waiver by City. Failure by City to take any action with respect to any default or violation by Lessee 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 City to act with respect to any prior, contemporaneous, or subsequent violation or default. The acceptance by 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 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 13.06 - City's Right to Perform Lessee's Obligations. In the event that Lessee fails to perform any of its obligations under this Agreement, the City may, but is not obligated to, after written notice to Lessee and without waiving or releasing Lessee from any of its obligations hereunder, make any payment or perform any other act which Lessee 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 city shall also have the right to enter upon the Premises, including any building or other improvement to the Premises, 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. All sums so paid and all liabilities so incurred by City, together with interest thereon at the Default Rate plus three percent, shall be deemed additional Rent hereunder and shall be payable to City upon demand as additional Rent. 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 City shall not constitute a waiver of Lessee's default in failing to perform the same. Inaction of City shall never be considered as a waiver of any right accruing to it pursuant to this Agreement. 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 Premises or the repair, maintenance or reconstruction of the Premises or payment of operating costs thereof, may do so in such amounts and to such persons as City may reasonably deem appropriate. Nothing contained herein shall be construed to require the City to advance monies for any purpose. City shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business or other damage to Lessee or any other occupant of the Premises or any part thereof, by reason of making repairs or the performance of any work on the Premises or on account of bringing materials, supplies and equipment into or through the Premises during the course thereof and the obligations of Lessee under this Lease shall not thereby be affected in any manner. In

doing so, however, City shall use reasonable efforts not to interfere with Lessee's operations

Section 13.07 - Attorneys' Fees and Expenses. In the event Lessee defaults under this Agreement and City employs attorneys or incurs other expenses for the collection of Lessee fees or any other amounts due hereunder, or for the enforcement or performance or observance of any obligation or agreement on the part of Lessee herein contained, Lessee shall, on demand, pay to City the reasonable fees and expenses of such attorneys and any such other reasonable expenses incurred by City as a result of such default.

ARTICLE XIV - TRANSFERS

Section 14.01 - Lessee's Right to Transfer.

A. Transfers Generally. Lessee covenants that it will not assign, sublet, subcontract transfer, convey, sell, mortgage, pledge, or encumber (any of the foregoing events being referred to as a "Transfer") the Premises or any part thereof, or any rights of Lessee hereunder or any interest of Lessee in this Agreement, or effect any sale of Lessee stock that may have the effect of a Transfer, nor will Lessee allow the use of such Premises hereunder by any other person, except as otherwise provided in Article II of this Agreement, without in each instance having first obtained the prior written consent of City as set forth below. Consent by City to any type of Transfer described in this paragraph or elsewhere in this Agreement shall not in any way be construed to relieve Lessee from obtaining further authorization from City for any subsequent Transfer of any nature whatsoever.

B. Transfers requiring the Consent of the City Council. The consent of the City Council is required for any Transfer of substantially all of the Premises or all rights or interests of Lessee in this Agreement. The consent of the City Council is in its sole and absolute discretion.

C. Transfers requiring the Consent of the Commissioner. The consent of the Commissioner is required for any Transfer other than those requiring City Council consent. The Commissioner will not unreasonably withhold or delay his consent to a Transfer provided that (i) the proposed transferee is in compliance with all of the legal requirements of this Agreement, (ii) the proposed transferee is sufficiently financially responsible, experienced and capable to perform its obligations under the Transfer, (iii) in the Commissioner's sole opinion, the Transfer will not have a material adverse effect upon the Airport (including, without limitation, the promotion of a competitive environment at the Airport in light of the then-existing circumstances, the balanced utilization of the Airport facilities, and operational considerations relating to the characteristics of the proposed transferee), (iv) no event of default then exists, and (v) the transferee executes the City's Economic Disclosure Statement and Affidavit ("EDS") and such EDS indicates

compliance with all applicable laws.

D. Lessee to Remain Primarily Liable. Notwithstanding any Transfer, with or without City consent, Lessee shall remain fully liable for the payment of all of its fees and fully responsible for the performance of all of its other obligations hereunder.

E. Request for City Consent Any and all requests by Lessee for consent to a Transfer shall be made in writing by certified mail to 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 Lessee for said Transfer.

F. City's Right to Collect from Transferee If any Transfer shall occur, whether or not prohibited by this Article, City may collect fees and other sums to be paid under the Agreement from any assignee, sublessee, or other transferee of Lessee, and in such event shall apply the net amount collected to the fees and other sums to be paid under the Agreement payable by Lessee hereunder without such action by City releasing Lessee from this Agreement or any of its obligations hereunder. If any Transfer prohibited by this Article shall occur without consent of City and City collects fees and other sums to be paid under the Agreement from any assignee, sublessee, or other transferee of Lessee, and applies the net amount collected in the manner described in the preceding sentence, such actions by City shall not be deemed to be a waiver of the covenant contained in this Article, or constitute acceptance of such assignee, sublessee, or transferee by City.

G. Transfers Without City Consent Void Any Transfer without the written consent of the City as provided for herein shall be void and of no effect.

Section 14.02 - City Right to Transfer. The City reserves the right to transfer all or any part of its interests hereunder

ARTICLE XV - 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 Lessee shall be addressed to:

Aviation Services Group, Inc
d/b/a Odyssey Aviation Inc
c/o Ken Allison
4700 Airport Road
Cincinnati, OH 45226

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

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 XVI - MISCELLANEOUS

Section 16.01 - 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 16.02 - 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 16.03 - 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 16.04 - 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 16.05 - No Partnership or Agency. Nothing herein contained as 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 Lessee the general representative or agent of City for any purpose whatsoever.

Section 16.06 - Representatives. City and Lessee shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for City and Lessee, 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, City's representative shall be the Commissioner. Unless otherwise expressly stated herein, any consents and approvals to be given by City shall be made by the Commissioner. Lessee's representative shall be designated in a written notice delivered to City. Any party hereto may change its designated representative by notice to the other party pursuant to the provisions of Article XV.

Section 16.07 - 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. 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, Lessee shall make every reasonable effort to assure an orderly transition to another fixed base operator or provider of general aviation services, if any; orderly demobilization of its own operation; and the uninterrupted provision of fixed base operations and general aviation services. During any transition period Lessee shall otherwise comply with the reasonable requests and requirements of the Commissioner in connection with the termination or expiration of this Agreement.

Section 16.08 - Assigns. 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.

Section 16.09 - 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 City or Lessee, 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 is intended or shall be construed to abate, postpone, or in any respect diminish Lessee's obligations to make any payments due City pursuant to this Agreement.

Lessee shall not be liable for the performance of any obligation of Lessee 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 Federal Aviation Administration or other government authority substantially affecting for a period of at least sixty (60) days Lessee's use of the Airport, provided, however, that none of the foregoing is due to any fault of Lessee.

Section 16.10 - Conflict of Interest. Lessee hereby represents and warrants that it is not, and, to the best of Lessee's knowledge its contractors are not in violation of Chapter 2-156 of the Municipal Code of Chicago. Any contract negotiated, entered into or performed in violation of said chapter shall be invalid and without any force whatsoever

Section 16.11 - Governing Law. This Agreement shall be governed in accordance with the laws of the State of Illinois. Lessee 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. Lessee agrees that service of process on Lessee may be made, at the option of 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 Lessee, or by personal delivery on any officer, director, or managing or general agent of Lessee

Section 16.12 - Consent to Service of Process and Jurisdiction. All judicial proceedings brought by Lessee with respect to this Agreement shall be brought in Cook County, Illinois, and by execution and delivery of this Agreement, Lessee 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. Lessee irrevocably waives any objection (including without limitation 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 City to bring proceedings against Lessee in the courts of any other jurisdiction.

ARTICLE XVII - AUTHORITY

Section 17.01 - City's Authority. This Agreement is authorized by an Ordinance passed by City of Chicago City Council on _____, 2011, (C.J.P.____). Except as expressly provided otherwise, wherever this Agreement provides that an act is to be taken or performed, or approval or consent is to be given by 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 Chicago, as long as such act, approval or consent does not result in either (i) an extension of the Term (beyond any permitted renewals), (ii) a decrease in the Rent other than such decreases expressly provided for herein, or (iii) expansion of the Premises; provided, however, that non-material changes may be made

to the boundaries of the Premises to conform to a survey. The Commissioner may execute an amendment to the Agreement provided that she is authorized to take or perform the act, or provide the consent or approval, giving rise to such amendment.

Section 17.02 - Lessee's Authority. Execution of this Agreement by Lessee is authorized by corporate resolution, and the signatures of each person signing on behalf of Lessee have been made with complete and full authority to commit Lessee 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 undersigned have caused this Agreement to be executed as of the Effective Date.

CITY OF CHICAGO

Commissioner
Chicago Department of Aviation

**AVIATION SERVICES GROUP, INC.,
D/B/A ODYSSEY AVIATION INC.**

By: _____

Name:

Title: _____

Notary

Designation of Agent for Service of
Process

Name: _____

Address: _____

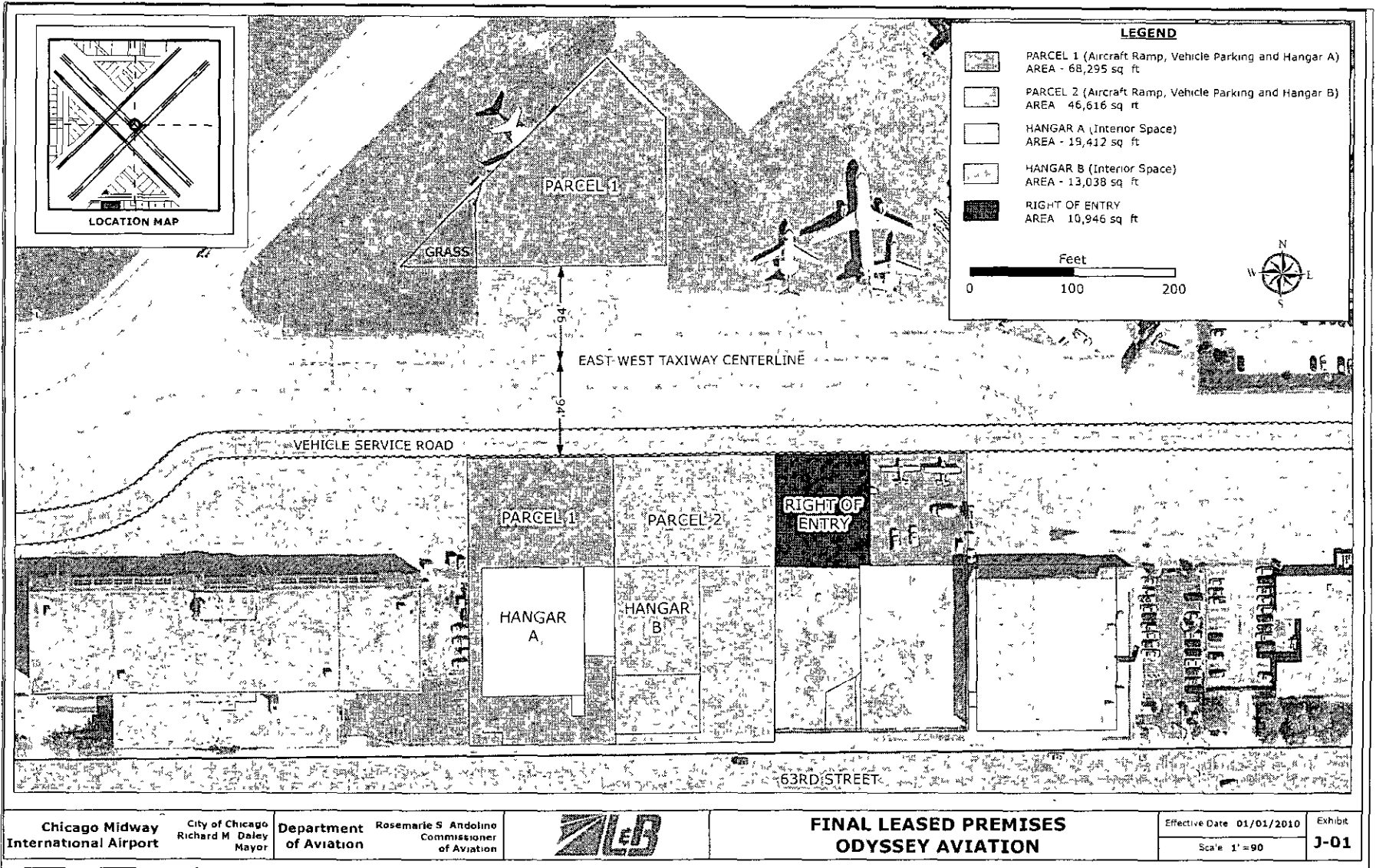


EXHIBIT C

CONSTRUCTION REQUIREMENTS

Atlantic must ensure that it and any Contractor undertaking construction of Improvements on behalf of the Atlantic or any subtenant complies with the following provisions. All references to Atlantic are deemed to include any subtenant.

1 *Submission of Plans; Compliance with Article V of Agreement*

Construction of each Improvement is subject to the requirement that plans for the Improvement be submitted to the Commissioner for prior approval.

2. *Coordination with the City.*

Tenant must identify a Project Manager to manage and coordinate the work on each Improvement project on its behalf. Unless Atlantic otherwise specifies, the City will direct all communications regarding the work to the Project Manager.

3. *Standard of Performance.*

(a) Atlantic must perform, or cause to be performed, all work on Improvements: (i) 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 being undertaken, (ii) in accordance with those standards for work promulgated by the City and any other interested federal, state, or local governmental units, and (iii) in a safe, efficient, good and workmanlike manner. Contractors must promptly replace all damaged or defective work. If they fail to do so, Atlantic must replace or correct such work or cause such work to be replaced or corrected by another Contractor. Thereafter Atlantic must prosecute, or assign its rights to prosecute to the City upon reasonable request, any and all claims it may have against Contractors for failure by Contractors to comply with the requisite standards of performance.

(b) Notwithstanding any review, approval, acceptance, or payment for any and all of the work by the City, as between Atlantic and the City, Atlantic will remain solely and exclusively responsible for the technical accuracy and satisfactory completion of all of the work. This provision shall in no way be considered as limiting the rights of the City against Atlantic or its Contractors, either under this Agreement, at law, or in equity.

4. *Construction Contracts*

(a) Atlantic must include in its construction contracts all provisions required by this Agreement, such provisions as may be required by law at the time such construction contract is awarded, and such other provisions as may be reasonably requested by the City, its Risk Manager, its Chief Procurement Officer, or its legal counsel.

(b) All design and construction contracts for Improvements must contain provisions making them assignable to the City. Upon the occurrence of an Event of Default under this Agreement, the City has the right to require that Atlantic assign any such contract to the City. Such assignment shall be in writing and in a form and substance acceptable to the City. Atlantic agrees that all such contracts must also contain a clause which provides that in the case of any contract so assigned, the Contractor will be deemed to have consented to such assignment and have waived any and all claims, suits, and causes of action arising out of or relating to the performance of such contract prior to the effective date of such assignment, unless such Contractor notifies the City in writing of such claim, suit, or cause of action prior to the effective date of such assignment. In any event, the City shall not be responsible for any claims relating to such contracts arising from or related to any fraud, misrepresentation, negligence or willful or intentionally tortious conduct by Atlantic, its officials, employees, agents or other contractors.

5. *Requirements for Work*

(a) Project Planning, Design, and Fabrication Phase:

In accordance with Article V of the Agreement, Atlantic must submit, or cause to be submitted, plans at such levels as may be reasonably requested by the Commissioner for review and approval by the Commissioner. If Atlantic intends to adopt fast track construction procedures, Atlantic must still complete each contract package to a reasonable level of detail (including alternate designs selected by Atlantic for major structural, mechanical, electrical and architectural elements) that will provide the Commissioner adequate information upon which to base its review and approval. Atlantic must not proceed with construction operations until all necessary approvals have been obtained.

(b) Atlantic to Provide Information:

Prior to the commencement of any work, and thereafter as often as may be necessary to provide the Commissioner with current and complete information about the work, Atlantic must submit to the Commissioner (i) initial and updated construction schedules indicating the proposed and/or actual sequence of all work, and the estimated date of completion of the work under each of Atlantic'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 adjacent parcels; and (iii) Atlantic's initial and updated cost estimates for the work, individually and aggregated.

(c) Installation, Construction, Start-Up and Testing Phase:

(i) The Commissioner has the right to monitor the work to assure that the Improvement is installed and constructed in conformity with the approved plans and in accordance with the applicable standards. In order to assist the Commissioner in monitoring installation, construction, start-up and testing, Atlantic must submit, or cause to be submitted, to the Commissioner 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 the City.

(ii) Atlantic must not implement any change order which materially changes the scope of the work or the nature of the Improvement without review and approval by the Commissioner.

(iii) In the event the Commissioner determines that the work is at material variance from the approved plans or applicable standards, Atlantic must use all reasonable efforts to expeditiously resolve such material variance through immediate consultation with its Contractors. Pending such resolution, the Commissioner may, by written notice to Atlantic, (A) suggest to Atlantic that Atlantic withhold payments from any Contractor which has performed, in the judgment of the Commissioner, work which is at material variance or (B) suggest to Atlantic that it suspend work pending resolution. If Atlantic's response is unacceptable in the reasonable opinion of the Commissioner, the Commissioner may direct Atlantic to suspend any work that is at material variance pending resolution. If the work that is at material variance cannot be corrected, Atlantic must replace such work directly or through its Contractors. The Commissioner will inform Atlantic of any such material variance within ten business days after the material variance is identified, unless the material variance affects the structural integrity or safety of the Improvement or the material variance could not have been discovered with due diligence, in which case the Commissioner will inform Atlantic of such material variance as soon as reasonably practicable. If such work is not corrected or replaced by Atlantic within 30 days following notice from the Commissioner to Atlantic, the Commissioner may cause such work to be corrected or replaced with the City's own forces or otherwise at the expense of Atlantic, *provided* that in the event such work cannot be corrected or replaced within said 30 day period, Atlantic will be afforded such additional time as the Commissioner may determine to be reasonably necessary to correct or replace such work.

7. *Ownership.*

The City shall be and become the owner of each Improvement upon the termination or expiration of the Agreement.

8. *No Damages for Delay.*

Atlantic agrees and shall cause its Contractors to agree that claims for damages or charges for additional costs or fees shall not be made against the City by Atlantic or its Contractors for costs

incurred by reason of delays, disruptions, or hindrances in the Contractors' work resulting from City activities on or near the Premises. In the event that any Contractor is delayed by causes beyond the reasonable control of such Contractor, Atlantic must give the City written notice within 10 days of the commencement of such delay. Such notice by Atlantic must include a description of the reasons for the delay and the steps to be taken by Atlantic and Contractor to mitigate the effect of such delay on the construction schedule.

9. *Performance and Payment Bonds.*

Atlantic must require each of its Contractors performing construction at or related to the Premises to post a performance and payment bond in the value of the construction work to be performed under its construction contract(s). Such bonds must comply with the provisions of 30 ILCS 550/1, as amended and Section 2-91-030 of the Chicago Municipal Code. The surety issuing such bond must be listed by the U.S. Department of the Treasury as an acceptable surety with a bonding limitation in excess of the cost of construction. The City and Atlantic must be named as co-obligees on all such bonds.

10. *Protection of Utilities.*

(a) Atlantic's Contractors must take suitable care to protect and prevent damage to all utilities from their operations on the Premises.

(b) When performing work adjacent to existing sewers, drains, water and gas lines, electric or telephone or telegraph conduits or cables, pole lines or poles, or other utility equipment or structures which are to remain in operation, Atlantic's Contractors must maintain such utility equipment and structures in place at the Contractors' own expense and must cooperate with the City department, utility company or other party owning or operating such utility equipment or structures in the maintenance thereof.

(c) Atlantic is responsible for and must cause its Contractors to repair all damage to any such utility, equipment or structures caused by the Contractors' acts, whether negligent or otherwise, or their omission to act, whether negligent or otherwise and must leave such utility, equipment or structures in as good condition as they were in prior to the commencement of work. However, it is hereby agreed that any such utility equipment or structures damaged as a result of any act, or omission to act, of the Contractor may, at the option of the City department, utility company, or other party owning or operating such utility, equipment or structures damaged, be repaired by such City department, utility company, or other party and in such event the cost of such repairs shall be borne by Atlantic.

11. *Additional Legal Requirements.*

(a) **Veterans Preference:** Atlantic shall insure that the following provision is inserted in all contracts entered into with any contractors and labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any material, labor, or services in

connection with the improvements:

"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, or alteration of all public works. In the employment of labor (except executive, administrative and supervisory positions) 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."

(b) Steel Products:

(i) This Agreement is subject to the "Steel Products Procurement Act," 30 ILCS 5651/1 *et seq.*, as it may be amended from time to time ("Act"). To the extent required by the Act, steel products used in the Improvements must be manufactured or produced in the United States.

(ii) 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 steel making 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 may subject violators to a fine of the greater of \$5,000 or the payment price received as a result of such violation.

(c) MacBride Principles Ordinance:

(i) 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 provides a better working environment for all citizens in Northern Ireland.

(ii) In accordance with Section 2-92-580 of the Municipal Code, if Atlantic conducts any business operations in Northern Ireland, it must make all reasonable and good faith efforts to conduct any such business operations in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

(d) Occupational Safety and Health Act, 40 U.S.C. 333; 29 C.F.R. 1926.1.

(e) Hazard Communication Standard, 29 C.F.R. Part 1926.58.

(f) Illinois Environmental Protection Act, 415 ILCS 511.

(g) Illinois Public Mechanics' Lien Act, 770 ILCS 60/23 (waiver of liens).

(h) Criminal Code provisions applicable to public works contracts, 720 ILCS 5/33E.

- (i) Public Works Projects Act, 30 ILCS 570/0.01.
- (j) Deduction from Wages, 820 ILCS 115/9.
- (k) Section 2-92-250 of the Municipal Code of Chicago (Retainage).
- (l) Section 2-92-415 of the Municipal Code of Chicago (Child Support).
- (m) Prevailing Wage Act, 820 ILCS 130/1.
- (n) Section 2-92-330 of the Municipal Code of Chicago (Chicago Residency Requirement).

Exhibit D

Equal Employment Opportunity

Odyssey Aviation provides equal employment and advancement opportunities to all individuals; employment decisions at the company are based on merit, qualifications and abilities; and, this policy applies to all aspects of employment, including selection, assignment, promotion, compensation, discipline, termination and access to benefits and training.

Except as required or permitted by law, our employment practices are not influenced or affected by an applicant's or employee's race, color, religion, sex, national origin, age, marital status, disability, veteran's status or any other characteristic protected by law.

Odyssey Aviation will make reasonable accommodations for qualified individuals with known disabilities, unless doing so would result in an undue hardship.

Employees with concerns about any type of discrimination are encouraged to bring such issues to the attention of their Station Manager; and, such employees can raise such concerns without fear of reprisal.

Any employee found to be engaging in any type of unlawful discrimination is subject to reprimand and disciplinary action.

Reaffirmed: January 1, 2010

EXHIBIT E

FORM OF LETTER OF CREDIT

(Date)

City of Chicago
Department of Aviation
Chicago O'Hare International Airport
P.O. Box 66142
Chicago, Illinois 60666

Gentlemen

We hereby issue Irrevocable Stand-By Letter of Credit No. _____ in your behalf for the account of _____, _____ (Address) _____ up to an aggregate amount of U.S. DOLLARS \$ _____.

Funds under this Credit are available to you unconditionally against your sight drafts for any sum of sums not exceeding a total of U.S. \$ _____ drawn on us mentioning our credit No. _____ purportedly signed by the Commissioner of Aviation of the City of Chicago (whether acting or actual).

Our obligations hereunder are primary obligations and shall not be affected by the performance of non-performance by _____ under any agreement with the City. We engage with you that any draws under this Credit shall be duly honored on sight if presented to us on or before _____.

This Credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce publication No. 400 (UCP) and to the Uniform Commercial code - Letters of Credit, as amended, as in effect in the State of Illinois (UCC). To the extent the provisions of the UCP and the UCC conflict, the provisions of the UCP shall control.

[authorized signature]

EXHIBIT F

Fuel System

The Fuel System includes a new 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 three API-650 above ground tanks with a nominal capacity of 15,000 barrels each erected within a secondary concrete fuel retention system. The Fuel facilities 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 an approximately 1,500 square feet Operations Building which houses electrical equipment, system controls, mechanical equipment, fire protection equipment, and office space for the facility operator.

Fuel receipt will be accomplished by way of a pipeline connecting the fuel storage area with the 7.5 mile Sanders Pipeline Company pipeline from the Kinder Morgan Storage Facility at Argo, Illinois. Fuel transmission and distribution within the Airport will be provided by a series of underground pipes routed through the Airfield to the terminal hydrant distribution system for delivery of Fuel directly to apron aircraft parking positions. In addition, there will be an additional 3,300 feet of underground pipe routed to the remote jet fuel FBO/Corporate loading position located at the southeast quadrant of the Airport. The hydrant system and the remote refueller position will include required utilities, oil/water separators, storm water run-off controls, lighting pavement, meters, valves, piping, controls, connectors, and a UV/IR detection system.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I – GENERAL INFORMATION

A. Legal name of Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

AVIATION SERVICES GROUP, INC. d/b/a
ODYSSEY AVIATION

Check ONE of the following three boxes:

Indicate whether 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 Disclosing Party holds an interest: _____
OR
3. a specified legal entity with a right of control (see Section II.B.1.b.) State the legal name of the entity in which Disclosing Party holds a right of control: _____

B. Business address of Disclosing Party: 5320 WEST 63rd STREET
CHICAGO, IL 60638

C. Telephone: 773-284-2867 Fax: 773-284-5879 Email: KALLISON@ODYSSEYSP.COM

D. Name of contact person: KENNETH L. ALLISON

E. Federal Employer Identification No. (if you have one): [REDACTED]

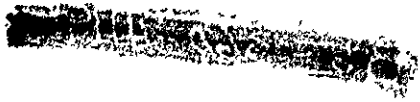
F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

FACILITIES LEASE AND USE AGREEMENT AT MIDWAY INTERNATIONAL AIRPORT

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 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) |

* Note B.1.b below.

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

LOUISIANA

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.a. List below the full names and titles of all executive officers and all directors of the entity. 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).

Name	Title
<u>ORLANDD E. PANFILE</u>	<u>CHAIRMAN</u>
<u>KENNETH L. ALLISON</u>	<u>PRESIDENT / CEO</u>

1.b. If you checked "General partnership," "Limited partnership," "Limited liability company," "Limited liability partnership" or "Joint venture" in response to Item A.1. above (Nature of Disclosing Party), 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

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
ORLANDO E. PANFILE	5320 W. 63rd ST., CHICAGO, IL 60638	100% ²

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)
	CARROLL & SAIN 7250 N. CIGARD AVE, LINCOLNWOOD, IL 60712		ATTORNEY ESTIMATED FEES OF \$30,000 (hourly billing FOR OCTOBER 2009 - April 2010)

(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 term of the contract.

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 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. 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 otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause B.1.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.
2. The certifications in subparts 2, 3 and 4 concern:
 - the Disclosing Party;
 - any "Applicable Party" (meaning any party participating in the performance of the Matter, including but not limited to any 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 Applicable Parties, the term Affiliated Entity means a person or entity that directly or indirectly controls the Applicable Party, is controlled by it, or, with the Applicable Party, is under common control of another person or entity;

- any responsible official of the Disclosing Party, any Applicable Party or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Applicable Party or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Applicable Party, nor any Affiliated Entity of either the Disclosing Party or any Applicable Party nor any Agents have, during the five years before the date this EDS is signed, or, with respect to an Applicable Party, an Affiliated Entity, or an Affiliated Entity of an Applicable Party during the five years before the date of such Applicable Party'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).

3. Neither the Disclosing Party, Affiliated Entity or Applicable Party, 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.

4. 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.

5. The Disclosing Party understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).

6. 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.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

For purposes of this Part C, under Municipal Code Section 2-32-455(b), the term "financial institution" means a bank, savings and loan association, thrift, credit union, mortgage banker, mortgage broker, trust company, savings bank, investment bank, securities broker, municipal securities broker, securities dealer, municipal securities dealer, securities underwriter, municipal securities underwriter, investment trust, venture capital company, bank holding company, financial services holding company, or any licensee under the Consumer Installment Loan Act, the Sales Finance Agency Act, or the Residential Mortgage Licensing Act. However, "financial institution" specifically shall not include any entity whose predominant business is the providing of tax deferred, defined contribution, pension plans to public employees in accordance with Sections 403(b) and 457 of the Internal Revenue Code. (Additional definitions may be found in Municipal Code Section 2-32-455(b).)

1. CERTIFICATION

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

The Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and has disclosed in this EDS any and all such records to the City. In addition, the Disclosing Party must disclose the names of any and all slaves or slaveholders described in those records. Failure to comply with these disclosure requirements may make the Matter to which this EDS pertains voidable by the City.

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 requisite information as set forth in that paragraph 2.

X 1. The Disclosing Party verifies that (a) the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) the Disclosing Party has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1(a) above, the Disclosing Party has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. The Disclosing Party verifies that the following constitutes full disclosure of all such 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.

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: (Begin list here, add sheets as 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.

If the Matter is federally funded and any funds other than federally appropriated funds have been or will be paid to any person or entity for influencing or attempting 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 Matter, the Disclosing Party must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The form may be obtained online from the federal Office of Management and Budget (OMB) web site at <http://www.whitehouse.gov/omb/grants/sfillin.pdf>, linked on the page http://www.whitehouse.gov/omb/grants/grants_forms.html.

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:

DISCLOSING PARTY HAS ALWAYS ENDORSED & IMPLEMENTED
AFFIRMATIVE ACTION IN ITS EQUAL EMPLOYMENT HIRING
OPPORTUNITIES - SEE EXHIBIT A ATTACHED HERETO.

**SECTION VII – ACKNOWLEDGMENTS, CONTRACT INCORPORATION,
COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. By completing and filing this EDS, the Disclosing Party acknowledges and agrees, on behalf of itself and the persons or entities named in this EDS, that the City may investigate the creditworthiness of some or all of the persons or entities named in this EDS.

B. 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.

C. 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, 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.

D. 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, void or voidable), 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.

E. 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.

F. 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.

The Disclosing Party represents and warrants that:

G. The Disclosing Party has not withheld or reserved any disclosures as to economic interests in the Disclosing Party, or as to the Matter, or any information, data or plan as to the intended use or purpose for which the Applicant seeks City Council or other City agency action.

For purposes of the certifications in H.1. and H.2. below, the term "affiliate" means any 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 the federal government or a state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity.

H.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 affiliates 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.

H.2. If the Disclosing Party is the Applicant, the Disclosing Party and its affiliates will not use, nor permit their subcontractors to use, any facility on the U.S. EPA's List of Violating Facilities in connection with the Matter for the duration of time that such facility remains on the list.

H.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 H.1. and H.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 H.1., H.2. or H.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 on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

AVIATION SERVICES Group, INC. Date: JULY 13, 2011
(Print or type name of Disclosing Party)

By: [Signature]
(sign here)

KENNETH L. ALLISON
(Print or type name of person signing)

President / CEO
(Print or type title of person signing)

Signed and sworn to before me on (date) 7-13-2011, by Kenneth Allison,
at Cook County Illinois (state).

[Signature] Notary Public.

Commission expires: 2/08/2011

