



Office of the Chicago City
Clerk



O2011-8326

Office of the City Clerk

City Council Document Tracking Sheet

| | |
|---------------------------------|-------------------------------------------------------------------------------------|
| Meeting Date: | 10/5/2011 |
| Sponsor(s): | Emanuel, Rahm (Mayor) |
| Type: | Ordinance |
| Title: | Amendment to United Parcel Service cargo building agreement at O'Hare Int'l Airport |
| 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 an amendment to a United Parcel Service cargo building agreement at O'Hare International Airport.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor



ORDINANCE

WHEREAS, the City of Chicago ("City"), a home rule unit of local government under the 1970 Constitution of the State of Illinois, owns and operates an airport known as Chicago O'Hare International Airport ("O'Hare") and possesses the power and authority to lease premises and facilities and to grant other rights and privileges with respect thereto, and

WHEREAS, the City has entered into a cargo building site lease with United Parcel Service ("UPS") dated February 2, 1989, which expires on May 11, 2018 (the "Lease"), and

WHEREAS, the Chicago Department of Aviation ("CDA") has determined that certain premises in the vicinity of UPS's leasehold are suitable for use by UPS as a parking lot for UPS employee automobiles and UPS trucks, and CDA and UPS desire to add those premises to the Lease, and

WHEREAS, CDA has also determined that a portion of the roadway adjacent to UPS's leasehold is not needed for other tenants' use and has agreed with UPS's request to add those roadway premises to the Lease, and

WHEREAS, the City and UPS now desire to enter into an amendment of the Lease with UPS that is substantially in the form of the amendment attached hereto as Exhibit A, now therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are incorporated by reference as if fully set forth here.

SECTION 2 The Mayor or his proxy is hereby authorized to execute, upon the recommendation of the Commissioner of the Chicago Department of Aviation ("Commissioner"), a lease amendment with UPS that is substantially in the form of the lease amendment attached hereto as Exhibit A.

SECTION 3 The Commissioner and such other City officials as may be required are authorized to take such actions and execute such other documents as may be necessary or desirable to implement the objectives of this ordinance

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

EXHIBIT A

FORM OF LEASE AMENDMENT

(Including Exhibits)

**2011 AMENDMENT TO CARGO BUILDING LEASE
BETWEEN CITY OF CHICAGO AND UNITED PARCEL SERVICE, INC.
AT CHICAGO O'HARE INTERNATIONAL AIRPORT
(Relocation of Automobile and Truck Parking)**

THIS AMENDMENT TO THE CARGO BUILDING SITE LEASE (this "Amendment") is made and entered into as of ___, 2011 (the "Effective Date") by and between the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under Article VII, Sections 1 and 6(a), respectively, of the 1970 Constitution of the State of Illinois (the "City"), and UNITED PARCEL SERVICE, INC., a corporation organized and existing under and by virtue of the laws of the State of Ohio ("UPS").

RECITALS

A. The City owns and operates that certain airport located within the City and commonly known as Chicago O'Hare International Airport (the "Airport").

B. The City is vested with the authority to make provisions for the needs of aviation, commerce, shipping, and travel in, to, and around the Airport to promote and develop the Airport, and in the exercise of such power, to enter into any lease of City-owned properties in the Airport area, upon such terms and conditions as the corporate authorities of the City shall prescribe.

C. The City and UPS have heretofore entered into that certain Cargo Building Site Lease dated as of February 2, 1989, and attached hereto as Exhibit A (the "Lease") whereby the City leases to UPS and UPS leases from the City, a portion of the Airport more specifically described therein (the "Demised Premises") for the operation of a cargo hangar facility, all on the terms and conditions set forth therein.

D. An amendment to the Lease attached hereto as Exhibit A-1 was approved in an ordinance dated February 7, 1996 (the "1996 Amendment"), whereby 6,666 square feet were added to the Demised Premises (the "1996 Premises").

E. The City has determined that certain premises in the vicinity of the Demised Premises, depicted in Exhibit B-1 hereto, are suitable for use by UPS for employee automobile and feeder truck parking ("Additional Parking Premises") and may be added to the Demised Premises under the Lease. Further, the City has determined that a portion of the un-dedicated roadway immediately south of the Demised Premises, depicted in Exhibit B-2 hereto ("Roadway Premises"), which Roadway Premises include the 1996 Premises, may be added to the Demised Premises and, upon relocation of UPS employee parking to the Additional Parking Premises, UPS may relocate its security fence and guardpost to incorporate the Roadway Premises and current employee parking lot into the secured area of its Demised Premises; provided that UPS uses the Roadway Premises in such a manner so as to maintain the emergency access lane as depicted in Exhibit B-3 hereto. This Amendment provides for the addition of the Additional Parking Premises and the Roadway Premises to the Demised Premises, all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing recitals (which are hereby incorporated by reference thereto), the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree that the Lease shall be and hereby is modified as follows:

1. Lease of Additional Parking Premises and Roadway Premises; Delivery of Additional Parking Premises and Roadway Premises.

(a) The parties agree that certain real property comprising a portion of the Airport and consisting of approximately 125,333 square feet, which real property is depicted on Exhibit B-1 attached hereto and made a part hereof, shall be and become the Additional Parking Premises under this Amendment, subject to the terms and conditions hereinafter set forth. Upon execution of this Amendment by both parties, the Additional Parking Premises shall become part of the Demised Premises under the Lease.

(b) The parties agree that certain real property comprising a portion of the Airport and consisting of approximately 17,179 square feet, which real property is depicted on Exhibit B-2 attached hereto and made a part hereof, and which real property includes the 1996 Premises, shall be and become the Roadway Premises under this Amendment, subject to the terms and conditions hereinafter set forth. Upon execution of this Amendment by both parties, the Roadway Premises shall become part of the Demised Premises under the Lease.

(c) The City makes no representations or warranties, either express or implied, as to the condition of the Additional Parking Premises or the Roadway Premises or their suitability for the intended use and has no obligations to make any improvements of any nature to the Additional Parking Premises or the Roadway Premises, and they shall be delivered to UPS "as is".

2. Improvements.

(a) The improvements to be constructed by UPS on the Additional Parking Premises ("Parking Improvements") shall consist, at a minimum, of those improvements required to be made pursuant to all applicable statutes, ordinances, regulations and codes in order for UPS to use the Additional Parking Premises for an employee automobile parking lot and as a feeder truck parking lot, as applicable. Unless the Commissioner of the Aviation, in her sole discretion, otherwise agrees in writing, the Additional Parking Premises may only be used for the purposes set forth in this Amendment. If the Commissioner agrees to any other use, UPS is solely responsible for constructing such Parking Improvements as may be required by statute, ordinance, regulation or code for such use.

(b) The improvements to be constructed by UPS on the Roadway Premises ("Roadway Improvements") shall consist, at a minimum, of those improvements required to be made pursuant to all applicable statutes, ordinances, regulations and codes in order for UPS to use the Roadway Premises for airside operational purposes, including but not limited to such security fencing, gate and surveillance equipment as may be required by the Commissioner. UPS understands and agrees that, in the event of an emergency, the City and other governmental

agencies may require access to the AOA across the Roadway Premises, and UPS shall allow such access. Accordingly, Roadway Improvements either must include a "crash-gate" security gate at the eastern end of the Roadway Premises or such security gate must be manned on a 24-hour basis. Upon installation of a security gate satisfactory to the Commissioner, UPS may demolish existing Gate 5A at the western end of the roadway and associated fencing; provided that UPS shall be responsible with coordinating with neighboring tenants regarding the impact of the removal of the gate and fencing on their operations. At all times UPS shall maintain a clear area as depicted on Exhibit B-3 in order to allow emergency vehicles access to the AOA via the roadway. Unless the Commissioner of the Aviation, in her sole discretion, otherwise agrees in writing, the Roadway Premises may only be used for the purposes set forth in the Lease. If the Commissioner agrees to any other use, UPS is solely responsible for constructing such Improvements as may be required by statute, ordinance, regulation or code for such use.

3. Construction of Improvements.

(a) Prior to commencement of construction, UPS shall deliver to the Commissioner for her approval a development plan describing in satisfactory detail the planned Parking Improvements and Roadway Improvements and the schedule for their construction ("Development Plan"). Upon approval of the Development Plan by the Commissioner and issuance to UPS of all necessary permits by applicable agencies, UPS shall promptly commence construction of the Parking Improvements and Roadway Improvements (collectively, "Improvements") in substantial accordance with the Development Plan. UPS shall perform the same with reasonable diligence, at its own cost and expense, and shall comply with applicable provisions of the Lease with respect to construction on the Demised Premises, including the provisions set forth in Exhibits C and D to the Lease.

(b) The City's approval of the Development Plan, or any drawings, plans, or specifications prepared in connection therewith, or any portion thereof, shall not impose upon the City or its officials, officers, employees, or agents any liability or obligation with respect to the design or construction of the Improvements, or the compliance of the Improvements with any applicable statutes, ordinances, regulations and codes.

4. Rent. Section 3.01 of the Lease is hereby amended to increase the square footage subject to the rent calculation so as to include the square footage of the Additional Parking Premises and Roadway Premises, effective as of the date of this Amendment. The square footage of the Additional Parking Premises is approximately 125,333 square feet, and the square footage of the Roadway Premises is approximately 17,179 square feet (which includes 6,666 square feet of 1996 Premises). The total square footage is therefore 510,712 square feet.

5. Operation and Maintenance Expense.

(a) UPS acknowledges and agrees that the allocation of the Cargo Area O&M Expenses pursuant to Section 3.02 of the Lease will be calculated using the entire square footage of the Demised Premises, including the Additional Parking Premises and Roadway Premises.

(b) In addition to UPS's maintenance, replacement and repair obligations under Section 4.02 of the Lease, UPS shall be responsible for the landscaping and maintenance of the

area between the Additional Parking Premises and the roadways surrounding those premises, including but not limited to seeding or sodding, mowing grass and removal of litter.

6. **Reservation of Rights.** In addition to the right of emergency access to the AOA set forth in Section 2(b), the following rights (which may be exercised by the City's officers, employees, agents, licensees, contractors, or designees) are hereby reserved by the City.

(a) Rights to air or space above the Additional Parking Premises and Roadway Premises for purposes of aircraft flyover and passage, and for such other easements as the City may require, including, for the use and benefit of the public, a right of flight for passage of aircraft in the airspace above the Additional Parking Premises and Roadway Premises, which public right shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from or operation on the Airport.

(b) Rights to maintain, replace, repair, alter, construct, or reconstruct existing and future utility, mechanical, electrical, and other systems or portions thereof on or under the Additional Parking Premises and Roadway Premises, including without limitation, systems for the supply of heat, water, gas, fuel, electricity, and for the furnishing of sprinkler, sewerage, drainage, and telephone service, including all related lines, pipes, mains, wires, conduits, and equipment; provided, such work by the City shall not reduce the square footage of the Additional Parking Premises (other than to a de minimis extent), nor shall such work by the City interfere (other than to a de minimis extent) with UPS's use of the Additional Parking Premises and Roadway Premises, including vehicular and aircraft access in connection therewith, or impair UPS's systems or facilities located thereon. If the City is performing any such activity on the Additional Parking Premises or Roadway Premises, the City shall provide reasonable advance notice to UPS (except in the event of an emergency);

(c) Upon the giving of reasonable notice and at reasonable times (it being understood and agreed that UPS shall be permitted to have a representative of UPS accompany the City so long as the City is not required to delay, other than to a de minimis extent, entry due to the unavailability of any such UPS representative), UPS shall allow the City, and its officials, officers, agents, employees, and contractors, reasonable access to the Additional Parking Premises and Roadway Premises for the purpose of inspecting the same, or for examining the same to ascertain if UPS is performing its obligations under the Lease, and for conducting tests and inspections for any other reason deemed reasonably necessary by the City under the Lease; and

(d) Nothing herein is intended to limit the City's ability to exercise such other rights as may be retained by or granted to the City elsewhere in the Lease. In the event of a conflict between any rights of the City as specified in the Lease and this Amendment, the right giving the City greater access or discretion shall prevail.

(e) In the event that the Transportation Security Administration, any successor agency thereto, or any other federal, state or local governmental agency with jurisdiction over airports, at any time directs the City that the Additional Parking Premises or Roadway Premises may not be used for the purposes intended by this Amendment, UPS shall promptly cease to use

the premises for such purposes. If UPS and the City cannot agree on alternative uses for the premises that are satisfactory to the applicable governmental agency, then upon UPS's request, the premises shall be deleted from the Demised Premises under the Lease.

7. **Airport Conditions.** Notwithstanding anything in the Lease to the contrary, the following covenants, agreements, and restrictions shall apply to UPS's use and occupancy of the Additional Parking Premises and the Roadway Premises, which covenants, agreements, and restrictions shall run with the land, for the benefit of the City and its successors and assigns in the ownership and operation of the Airport:

(a) UPS shall neither construct nor permit to stand on the Additional Parking Premises or Roadway Premises any building, structure, poles, trees, or other object, whether natural or otherwise, in violation of FAR Part 77, or which would otherwise interfere (other than to a de minimis extent) with the use and operation of the Airport.

(b) UPS's use of the Additional Parking Premises and Roadway Premises shall be compatible with noise levels associated with the operation of the Airport.

(c) UPS shall not knowingly or negligently undertake, or knowingly or negligently permit, any activity which could create a potential for attracting birds or other wildlife which may pose a hazard to aircraft operations at the Airport.

8. **Holding Over.** No continued occupancy by UPS after the expiration or other termination of the Lease shall be construed to extend the Term, and any such occupancy shall be deemed to be on a month-to-month basis, terminable by the Commissioner with 30 days' written notice and subject to payment of rent and all other amounts due to the City at the rates in effect during the period immediately preceding expiration or termination.

9. **Security Cameras and the Airport Camera System.** UPS shall comply with any and all security camera and security camera system initiatives, policies, programs, procedures, requirements, capital projects, and payment/funding obligations as may be agreed to from time to time by the City and tenants operating at the Airport through the so-called "TOP Committee" (collectively, the "Security Camera Requirements") to the extent that such Security Camera Requirements are applicable to the Demised Premises. The City shall institute and enforce such Security Camera Requirements in a non-discriminatory manner so as to treat UPS no less favorably than other tenants operating at the Airport.

10. **Sustainability.** UPS shall follow the applicable sustainability requirements set forth in the Airport's "Sustainable Airport Manual" available at:

<http://www.airportsgoinggreen.org/Content/Documents/CDA%20SAM%20-%20v2%20-%20November%2015%202010%20-%20FINAL.pdf>.

UPS shall also use its best efforts to implement commercially reasonable "sustainable best practices" in the maintenance and operation of the Additional Parking Premises and the Roadway Premises. In furtherance of the foregoing, UPS agrees to use commercially reasonable efforts to use environmentally preferable processes, products, and materials which do one or more of the following. (i) contain recycled material, are bio-based, are non-threatened species, or have other

positive environmental attributes; (ii) minimize the consumption of resources, energy, or water; (iii) prevent the creation of solid waste, air pollution, or water pollution; and/or (iv) promote the use of non-toxic substances and avoid toxic materials or processes. UPS is also encouraged to implement a recycling program.

11. **Other Terms.** All terms and conditions of the Lease now or hereafter in effect with respect to the original Demised Premises shall apply to the Additional Parking Premises and the Roadway Premises, except as expressly provided to the contrary herein. Capitalized terms not otherwise defined in this Amendment shall have the meaning specified therefor in the Lease.

12. **Full Force.** Except as expressly amended in this Amendment, all terms and provisions of the Lease shall remain in full force and effect in the Lease.

13. **Whole Amendment.** This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. In case of any inconsistency between the provisions of the Lease and this Amendment, the latter provisions shall govern and control.

14. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed and shall constitute a single, integrated original document.

15. **No Construction Against Draftsman.** No inference in favor of or against any party should be drawn from the fact that such party drafted or participated in the drafting of this Amendment or that such provisions have been drafted on behalf of such party.

16. **Definition of the City.** For purposes of this Amendment and the exhibits attached hereto, the "City" means the City of Chicago, a municipal corporation and home rule unit of local government organized and existing under Article VII, Sections 1 and 6(a), respectively, of the 1970 Constitution of the State of Illinois, and its successors and assigns. In any case under the Lease, this Amendment, or the exhibits attached hereto that the City may or shall take any action, perform any review or approval, engage or participate in any process, or otherwise perform any of its obligations or other terms hereunder, such action or performance may be undertaken by, under the supervision of, or at the direction of the Commissioner of the Chicago Department of Aviation (the "CDA"), or by such other persons, officials, representatives, or contractors as may be specifically authorized by the Commissioner of CDA from time to time.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the City of Chicago has caused this Amendment to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and UPS has caused this Amendment to be executed on its behalf by its _____ and its corporate seal to be hereunto affixed and attested by its _____, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

CITY:

CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under Article VII, Sections 1 and 6(a), respectively, of the 1970 Constitution of the State of Illinois

By: _____
Rahm Emanuel
Mayor

[UPS'S SIGNATURE PAGE TO FOLLOW]

UNITED PARCEL SERVICE, INC.
Ohio corporation

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Name: _____
Its: _____

Exhibit A

UPS Lease

(attached)

SCANNED

ORD-CRG-13

CARGO BUILDING SITE LEASE

THIS LEASE is made and entered into as of the ^{2ND} day of ~~FEBRUARY~~, 1967, by and between the CITY OF CHICAGO, a municipal corporation and home rule unit existing under the laws of the State of Illinois ("City"), and United Parcel Service, Inc., a corporation organized and existing under and by virtue of the laws of the State of Ohio ("Airline").

W I T N E S S E T H:

WHEREAS, City owns and operates the airport known as Chicago-O'Hare International Airport (the "Airport"), with the power to lease premises and facilities and to grant rights and privileges with respect thereto;

WHEREAS, Airline is or wishes to become engaged in the business of air transportation of freight and cargo at the Airport and desires to lease for such purposes certain premises and facilities at the Airport and to obtain certain rights and privileges with respect thereto; and

WHEREAS, City is willing to lease to Airline such premises and facilities, and to grant to Airline such rights and privileges, upon the terms and conditions hereinafter provided;

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

ARTICLE I

1.01 Lease of Premises. City hereby leases to Airline, and Airline hereby leases from City, the land depicted on Exhibit A hereto ("Demised Premises"), which consists of 368,200 square feet, together with the facilities, rights and privileges hereinafter described. City shall use its best efforts to deliver possession of the Demised Premises to Airline no later than the date of execution of this Agreement. The date on which City actually delivers to Airline possession of the Demised Premises is referred to herein as the "Delivery Date."

1.02 Operation of Cargo Site. Airline or its sublessees or assigns is hereby granted the exclusive use of the Demised Premises, subject to the terms and provisions hereof and to rules and regulations promulgated by City in accordance with Article VI hereof, for any and all purposes reasonably necessary or convenient in connection with the conduct by Airline of the

business of air transportation of freight and cargo and such other uses as set forth below, including, without limitation, the following:

(a) the receiving, delivering, dispatching, processing, handling and storing of air cargo, mail and other property;

(b) the loading and unloading upon the Demised Premises of property, cargo and mail upon or from aircraft by such means as may be necessary or convenient;

(c) the loading, unloading and parking of automobiles and trucks relating to its freight and cargo operations; and

(d) the maintenance and operation of buildings, facilities and equipment, including satellite and telecommunication equipment, flight kitchens and the carrying on of activities reasonably necessary or convenient in connection with its freight and cargo operations.

(e) taxiing, parking, storing, maintaining, conditioning and repairing (to the extent such are considered routine ramp servicing) of aircraft and equipment including flight kitchen equipment.

(f) the handling of passengers in commercial or retail flights when traffic at the Airport prevents the handling of such passengers at a terminal pursuant to such terms and conditions as agreed between Airline and Commissioner. All passengers handled pursuant to this provision must be shuttled to a terminal area for processing. In no event shall this provision be interpreted as allowing retail passenger operations other than the incidental handling of passenger in irregular operation situations.

(g) the receiving, dispatching, handling and storing of property for use by Airline in its operations at the Airport.

Nothing in this Lease shall be deemed to permit the conduct by Airline or its sublessees of any cargo and freight business other than the operation of an air transportation business, and such business shall not include the transportation of commercial or retail passengers to and from the Demised Premises except as provided above.

Airline may use the Demised Premises for uses other than those specified in this section only upon the written approval of the Commissioner of Aviation. The grant of such approval shall be in the discretion of the Commissioner of Aviation after due consideration of airline's request.

1.03 Ingress and Egress; Right to Connect Utilities.

Subject to rules and regulations promulgated by City in accordance with Article VI hereof, Airline, its sublessees or assigns, shall have the right and privilege of ingress to and egress from the Demised Premises for its or their employees, agents, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, and its or their aircraft, equipment, vehicles, machinery and other property. Except as otherwise specifically provided in this Lease, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline its sublessees or assigns, its or their employees, agents, guests, patrons and invitees, or its or their suppliers of materials and furnishers of service, for (i) such right of ingress and egress, (ii) the privilege of purchasing, selling or using for a purpose herein permitted any materials or services purchased or otherwise obtained by Airline or its sublessees or assigns, (iii) transporting, loading, unloading or handling persons, property, cargo, or mail in connection with Airline's or its sublessees or assigns' business, or (iv) exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas or sightseeing facilities, or for the use of ground transportation to, from or within, the Airport furnished by City or its concessionaires, or for the furnishing or sale by City or its concessionaires to the public at the Airport of services, insurance, food and merchandise, or preclude City from imposing any tax, charge, or permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder or under the Airport Use Agreement. Notwithstanding the foregoing, nothing in this Section 1.03 shall be deemed to permit or preclude City from levying a passenger facility charge or other similar tax at the Airport. Nothing herein shall preclude Airline from contesting such charge or tax if enacted or promulgated by City. Airline shall have the right to purchase or otherwise obtain property and services of any nature from any suppliers of its choice.

Airline shall not block or otherwise obstruct common use taxilanes or access roads with aircraft or groundside vehicles, respectively, at any time nor in any manner which will impair or adversely affect any other airline tenant from using or operating on said taxilanes or access road areas.

1.04 Sublease and Assignment of Demised Premises.

(a) Airline may sublet or assign the Demised Premises, in whole or in part, to another person in the business of air transportation of freight and cargo or enter into freight handling agreements, subject, however, to each of the following conditions:

(i) No sublease or assignment shall relieve Airline from primary liability for any of its obligations hereunder, and Airline shall continue to remain primarily liable for payment of rent hereunder and for the payment, performance and observance of its other obligations and agreements herein provided unless said sublease or assignment involves all of the Demised Premises and such release of primary liability is approved by the City Council of City; and

(ii) Any sublease or assignment of the Demised Premises, except a sublease or assignment to a subsidiary, parent corporation or subsidiary of a parent corporation, shall be subject to the prior written approval of the Commissioner, which approval shall not be unreasonably withheld. In no event shall approval of any sublease or assignment be deemed to constitute a waiver or restriction on the right to disapprove or deny consent to any additional or subsequent sublease or assignment.

(b) Within thirty (30) days following the execution and delivery thereof, Airline shall furnish City with a copy of each sublease or assignment entered into by Airline pursuant to this Section 1.04.

ARTICLE II

2.01 Term. The term of this Lease shall be for a period of Thirty (30) years commencing on ~~February 2, 1957~~, and terminating on May 11, 2018, unless sooner terminated in accordance with the provisions set forth herein.

ARTICLE III

3.01 Rent.

(a) At such time and in such manner as set forth in subsection (b) Airline shall pay City rent:

\$.45 per square foot per year for
368,200 square feet.

(b) Rent shall begin accruing hereunder on the earlier of (i) the date of substantial completion of the Improvements (as defined in Section 4.01 hereof) or (ii) 02/01/89. From and after the time rent begins so accruing and continuing throughout the term of this lease, Airline shall pay City, not later than the first business day of each month, the rent as forth above, for such month all such rent shall be paid to the Comptroller of the City of Chicago at his office in City Hall, Chicago, Illinois or such other place as may be designated. Rent for the first and last months of this Lease shall be prorated, if necessary.

(c) Rent payable hereunder shall be increased, beginning on the January 1, following the second anniversary date of this Lease, and on each year thereafter, by multiplying such rent by a fraction, the numerator of which is the Producer Price Index/All Commodities ("PPI") published by the United States Department of Labor, Bureau of Labor Statistics (1967=100) for such anniversary year and the denominator of which is the PPI for the first year of this Lease. Each yearly period for which the PPI is being recalculated hereunder is referred to herein as a "Recalculation Period." Rent, as so adjusted, shall be paid in the manner set forth in subparagraph (b) above.

If the manner in which the PPI is determined by the Department of Labor is substantially revised, City shall adjust the revised index which would produce results equivalent, as nearly as possible, to those which would have been obtained if the method of determining the PPI had not been revised. If the PPI is discontinued or otherwise becomes unavailable to the public, City shall substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or department, or if no such index is available, a comparable index published by a recognized financial institution, financial publication, or university.

3.02 Operation and Maintenance Expense. There is hereby created an Operation and Maintenance Fund to cover the costs and expenses incurred by the City in operating and maintaining the Common Areas of the Cargo Area. For purposes of this section 3.02, "Cargo Area" shall mean the portion of the Airport defined as such on Exhibit E entitled Cargo Area Layout Plan attached hereto and herein incorporated.

Thirty (30) days prior to the first rental payment under section 3.01(b) and not later than seventy (70) days prior to the end of each Fiscal Year thereafter, City shall furnish Airline with a projection of the O&M Expenses and projected O&M charges for the Cargo Area for the next ensuing Fiscal Year. On the first date that rental is due under this agreement, and on each date that rental is due thereafter, Airline shall pay to City for deposit into the Operation and Maintenance Fund an amount equal one-twelfth (1/12) of Airline's prorata share of the projected O&M expenses for the fiscal year. Airlines prorata share shall be determined by a percentage in which the total square footage leased to Airline pursuant to section 3.01(a) is the numerator and the total square footage of all land leased in the Cargo Area is the denominator.

Not later than the one hundred ninetieth (190th) day of each Fiscal Year, City shall furnish Airline with a revised projection of O&M charges for the Cargo Area which shall reflect the most recently available information with regard to the

amounts actually incurred as O&M expenses in the Cargo Area. If the revised projection forecasts expenses that would result in an overpayment or underpayment by Airline of five percent (5%) or more of the amount needed for such O&M expenses, payments under this Section shall be adjusted to conform to the revised projection. In no event shall the O&M charge under this section, as so adjusted, be less than zero. Any surplus in the O&M Fund at the end of a Fiscal Year shall be carried over, in the O&M fund to cover costs which may be incurred by the City in the repair, replacement or reconstruction of those capital facilities provided to the common areas of the Cargo Area, including, but not limited to, sewer and water line repairs or replacements, Apron repavement or replacement, right of way improvements or replacements (including costs of right of way expansion or relocation).

The City will maintain accurate records allocating O&M Expenses for each Fiscal Year. Within six months after the close of each Fiscal Year, City shall furnish Airline with a copy of an annual audit report ("Final Audit") prepared in accordance with generally accepted accounting principles and certified by an independent accountant or outside auditors covering the O&M Expenses for such preceding Fiscal Year and shall set forth the O&M Expenses paid by Airline during such period.

The payment by Airline to City, and the acceptance by City from Airline, of any amount hereunder shall not preclude either Airline or City from questioning, within a period of six months from the date of receipt by Airline of the Final Audit, the accuracy of any statement on the basis of which such payment was made, or preclude City from making, within such period, any claim against Airline for any additional amount payable by Airline hereunder.

3.03 Deficiency Assessments. In the event that the costs incurred by the City in the repair, replacement or reconstruction of those capital facilities provided to the common areas of the Cargo Area site is \$75,000 or less per project, Airline shall pay, by means of a deficiency assessment, its prorata share of the costs incurred not funded from the O&M fund. Airlines prorata share shall be determined by dividing the amount of those costs incurred, or anticipated to be incurred and not funded from the O&M fund by a percentage of which the total square footage leased by the Airline for cargo facilities is the numerator and the total square footage of all land leased in the Cargo Area is the denominator.

At any time during the term hereof, Airline may notify the Commissioner of any objections to the O&M charges. At the request of any Airline, the Commissioner shall meet with such Airline regarding such objection. City shall make all reasonable efforts to perform such project at the lowest possible cost

consistent with its responsibility as a prudent airport operator. In the event that the costs incurred by the City in the repair, reconstruction or replacement of any capital projects in the common areas of the Cargo Area which equal \$75,000 or less are required, City shall, at least thirty (30) days prior to making any expenditure, give written notice to Airline. Capital projects shall be defined as a) those projects which do not require immediate, emergency corrective action within a twenty-four (24) hour period and b) are defined in accordance with generally accepted accounting principles as may be re-defined from time-to-time by City's public accounting firm. Such notice shall include (i) an estimate of (1) the cost of such project, (2) the construction scheduled, description and justification for such project, (ii) the manner of payment and estimated payments required as a result thereof, (iii) the proposed allocation of such expenses within the Cargo Area portion of the Land Support cost center, and (iv) the projected impact of such costs on Airport fees and charges, all in sufficient detail to enable the Airline to make informed comments thereon. Airline may submit to City written comments on such expenditures, and may request a meeting with the City, within twenty (20) days following receipt of such notice by Airline, and City shall give due consideration to any such comments filed in a timely manner by Airline. Upon a request by a Majority-In-Interest (which is herein defined as fifty one percent (51%) of all Airlines having executed an Airport Use Agreement and leasing cargo building sites within the Cargo Area as shown on Exhibit E to the site leases), City shall convene, within ten (10) days, a meeting of the Airlines to discuss such capital projects, with City providing due consideration to such Airline comments.

In the event that the costs to be incurred by the City in the repair, replacement or reconstruction of those capital facilities provided to the common areas of Cargo Area site exceeds \$75,000 per project, the City shall not make any expenditures or issue any obligations to finance the cost thereof for any such repair, replacement or reconstruction project unless and until such project and the financing thereof has been approved by a Majority-In-Interest. At least forty-five (45) days before making any expenditure or issuing any obligations, City shall submit a proposal in writing to those Airline Parties, having under lease land in the Cargo Area which proposal shall include an estimate of (a) the cost of such project, (b) the expenses resulting therefrom (c) the sources and use of funds and the terms of any financing, if any (d) the construction schedule, descriptions and justification for any such Project (e) the proposed allocation of any costs along and within any Airport Cost-Revenue Centers and (f) the detail to enable the Airlines comprising the Majority-In-Interest to make an informed judgment on the appropriateness of such project and financing. A project and financing shall be deemed to be approved if (i) a Majority-In-Interest approves it pursuant to a certificate issued by the

Airline's Representative as defined in the Airport Use Agreement or (ii) City is not notified in writing of Majority-In-Interest disapproval within thirty (30) days of the submission of such proposal by City.

3.04 Taxes. Airline shall be responsible for payment of all taxes levied against the Demised Premises. All such taxes shall be paid directly by the Airline to the appropriate taxing agency. Airline shall provide the Commissioner with copies of all notices relating to such taxes within thirty (30) days of receipt and shall, within thirty (30) days of payment, provide the Commissioner with a receipt indicating payment of such taxes. Nothing herein shall preclude Airline from contesting such charge or tax including those enacted or promulgated by City.

3.05 Capital Improvement Reimbursement. Upon execution of this lease, Airline shall pay to the City an amount equal to \$2.00 per square foot of leased area under section 1.01 representing reimbursement to the City for costs incurred by the City in providing capital improvements to the cargo area.

3.06 Taxi Lane Pavement. Airline shall, at its own cost and expense, provide 137,156 square feet of taxi lane adjacent to the demised premises and identified on Exhibit F to this Agreement. Said taxi lane shall be constructed in accordance to current Airport standard for such taxi lane.

Construction of said taxi lane shall commence upon the executor of this lease and shall be completed prior to Airlines occupancy of the Demised Premises for the operation of air freight and cargo. Upon completion of said taxi lane, the taxi lane shall be a common area of the cargo area.

In the event the City leases any portion of the property with frontage with the taxi lane constructed by Airline hereunder to a third-party, said third party shall, as a condition of its lease agreement with the City, reimburse Airline for that proportion of the cost of the taxi lane which has frontage on its site.

ARTICLE IV

4.01 Construction of Improvements on Demised Premises. Airline, after securing necessary permits therefor, shall at its sole expense, erect and install on the Demised Premises, the structures, aircraft parking apron, and improvements (hereinafter collectively referred to as the "Improvements") as described in Exhibit B attached hereto. Design and construction of the Improvements shall be accomplished in accordance with the provisions of Exhibits C and D hereto.

For purposes of this section, construction of Airline's facilities on the Demised Premises may include construction of connections with any roadway, water line, sewer line, drainage ditch and utility line serving the Demised Premises, if requested by Airline, and the plans and specifications are approved by the City.

4.02 Maintenance, Replacement and Repair.

(a) Airline shall be responsible for and shall perform or cause to be performed, maintenance and repair of the Improvements and shall clean and keep clear of debris the Improvements and the Demised Premises. Airline shall, at all times at the Demised Premises:

(i) Keep all fixtures, equipment and personal property in a clean and orderly condition and appearance;

(ii) Maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs, replacements, and inside painting, such repairs, replacements, and painting by Airline to be of a quality and class not inferior to the original material and workmanship;

(iii) Control all of its vehicular traffic on the Demised Premises. Take all precautions reasonably necessary to promote the safety of its passengers, customers, business visitors and other persons, and employ such means as may be necessary to direct the movements of its vehicular traffic; and

(iv) Either directly or through an independent contractor (which independent contractor shall obtain a City permit, the issuance of which shall not be unreasonably withheld), dispose of its garbage, debris and other waste materials (including snow and ice).

(b) If the performance of any of the foregoing maintenance, repair, replacement or painting obligations of Airline requires work to be performed near an active taxiway or runway or where safety of Airport operations might be involved, Airline shall post guards or erect barriers or other safeguards, approved by the Commissioner, at such locations.

4.03 Title. Title to the Improvements shall vest in City upon certification by an engineer employed by City that construction of the Improvements has been completed.

4.04 Signs. Any advertising signs installed by Airline on the Demised Premises shall be limited to those which advertise the air transportation business of the lessee or its assigns or sublessees. The number, general type, size, design

and location of such signs shall be subject to the prior approval of the Commissioner of Aviation whose approval shall not be unreasonably withheld.

4.05 Lighting. Airline shall install, maintain, and operate such obstruction or warning lights on structures located on the Demised Premises as may from time to time be required to conform to standards prescribed by City and the Federal Aviation Administration or any other governmental agency having jurisdiction over the Demised Premises.

4.06 Covenant Against Liens. Airline shall keep the Demised Premises and the Improvements free and clear of liens, except as may be approved by City, which might arise out of any act by Airline; provided however, that Airline may, in good faith, contest the validity of any lien.

4.07 Performance By City Upon Failure of Airline to Maintain. In the event Airline fails to perform for a period of forty-five (45) days after written notice from City so to do, any obligation imposed on Airline by this Agreement, City may enter the Demised Premises (without such entering causing or constituting a termination of this Lease or an interference with the possession of said premises by Airline) and do all things necessary to perform such obligation, charging to Airline the cost and expense thereof. Airline shall pay City such charge when invoiced in addition to any other amounts payable by Airline hereunder; provided, however, that if Airline's failure to perform any such obligation endangers the safety of the public or of employees of City, and the notice to Airline so states, the City may perform such obligation of Airline at any time and Airline shall pay the cost and expense of such performance.

4.08 Inspection. City, by its representatives, shall have the right at any reasonable time, and as often as it considers necessary, to inspect the Demised Premises and direct Airline to make ordinary repairs. City representatives shall notify Airline's representative on the Demised Premises at the beginning of any inspections.

4.09 Non-Disturbance. The operations of Airline and its employees on the Demised Premises shall be conducted in an orderly and proper manner so as not to annoy, disturb or be offensive to others at the Airport. Upon request from City to Airline to correct the demeanor, conduct, or appearance of Airline's employees, Airline shall forthwith comply with such request.

ARTICLE V

5.01 Facilities Furnished By City. City shall deliver the Demised Premises in a rough graded condition in accordance

with the specifications of O'Hare Development Project #402. City makes no warranty as to the soil conditions of the Demised Premises or the adequacy of the Demised Premises for Airline's intended purpose other than that the site has been prepared in accordance with ODP #402. City shall construct taxiways, roadways, water lines, sewer lines, utility lines and drainage ditches serving the Demised Premises, substantially as described in Exhibit B hereto. Airline may use such taxiways, roadways, water lines, sewer lines and drainage ditches in common with others; provided, however, that Airline shall be required to pay to City its established charge for direct metered water supplied by City to Airline through any such water line. Airline shall pay all charges for electricity furnished to the Demised Premises.

5.02 Maintenance and Operation of Airport. City shall operate and maintain, in a manner consistent with that of a reasonably prudent operator of an airport, and keep in good condition and repair, all taxiways, roadways, water lines, sewer lines, drainage ditches, additions, improvements, facilities and equipment now or hereafter provided by City serving the Demised Premises but located outside the Demised Premises, including the removal of snow, ice, vegetation, stones and other foreign matter as reasonably as may be done, from taxiways, connections therefrom, and roadways.

5.03 Exclusive Possession. Subject to the provisions of this Lease, City covenants that so long as Airline performs all of its obligations hereunder, it shall be entitled to and shall have the exclusive possession and enjoyment of the Demised Premises, and the rights and privileges leased to it hereunder.

5.04 Performance by Airline Upon Failure of City to Maintain and Operate. In the event City fails to perform for a period of forty-five (45) days after notice from Airline so to do, any obligation required under this Agreement to be performed by City, Airline may perform such obligation of City and City shall pay to Airline the cost and expense of such performance, but Airline shall not deduct any such cost and expense from any amounts due hereunder. If City's failure to perform such obligations endangers the safety of Airline's operations at the Airport and Airline so states in its notice to City, Airline may perform such obligation and City shall pay for Airline's cost and expense of such performance if the City has not commenced performance of its obligations after receipt of such notice.

ARTICLE VI

6.01 Rules and Regulations.

(a) Airline shall obey all rules and regulations governing the conduct and operation of the Airport promulgated

from time to time by City; provided, however, that such rules and regulations must be neither (i) inconsistent with the reasonable exercise by Airline of any right or privilege granted to it hereunder or under any other agreement between Airline and City relating to the Airport, nor (ii) inconsistent with the rules, regulations, or orders of any Federal or State agency having jurisdiction over the Airport. Except in cases of emergency, no such rule or regulation shall be applicable to Airline unless it has been given fifteen (15) days notice of the adoption thereof.

(b) City shall keep Airline supplied with five (5) sets of City's current Airport rules and regulations applicable to Airline.

(c) City shall have no control over the rates, fares or charges that Airline may prescribe in connection with its conduct of Airline's air transportation business.

(d) Nothing herein shall be construed to prevent Airline from contesting in good faith any rule or regulation of the Airport, without being in breach thereof, so long as such contest is diligently commenced and prosecuted by Airline.

ARTICLE VII

7.01 Exercise by City of Governmental Functions.

Nothing contained herein shall impair the right of City, in the exercise of its governmental functions, to require Airline to pay any tax or inspection fees or to procure necessary permits or licenses provided such requirement is not inconsistent with the rights and privileges granted hereunder or under the Airport Use Agreement.

Nothing herein shall be construed to prevent Airline from contesting in good faith any tax or inspection fee so long as such contest is diligently commenced and prosecuted by Airline.

ARTICLE VIII

8.01 Insurance. Airline shall maintain, or cause to be maintained, at its own expense, insurance with respect to its property and business against such casualties and contingencies (including but not limited to public liability) in such amounts as are customary in the case of similarly situated persons in the Air Transportation Business.

If pursuant to any other agreement between Airline and City, Airline is complying with requirements identical with those of this Section, such compliance shall also serve as compliance with the requirements of this Section.

8.02 Insurance On Improvements During Construction.

Airline, or Airline's designated representatives, shall, until the date upon which the Improvements are certified as complete by an engineer employed by City, keep in force insurance issued by a responsible insurance company or companies, insuring City against all liabilities for public liability or property damage arising out of or in connection with the construction upon or the use and occupancy of the Demised Premises, in amounts of comprehensive insurance acceptable to City. Such policies shall insure the Improvements during construction under completed builder's risk insurance, against fire, with extended coverage insuring against, among other things, vandalism and sprinkler leakage in an amount equal to the full replacement value of the improvements under construction as the same progresses in order to assure continuity of construction and ultimate completion despite damage or destruction suffered during the course thereof.

8.03 Insurance of Improvements After Completion of Construction.

(a) The Improvements shall be insured at all times, on and after the date upon which completion thereof is certified by an engineer employed by City, and during the term hereof, under a so-called "fire and extended coverage policy or policies," issued by a respectable insurance company or companies, which policy or policies shall specifically insure against loss or damage by fire, lightning, collision, explosion, strikes, riots, civil commotions, malicious damage, tornado, windstorm or snow damage in the amount of full replacement value. Such insurance policy or policies shall be taken out and maintained by Airline. All such insurance policies shall name City as an additional insured thereunder, and shall provide that proceeds of such insurance shall be payable to City or Airline as their interests appear. Any costs incurred by City under such insurance policies shall be paid by Airline to City at the office of City Comptroller of City within thirty (30) days after receipt by Airline of a statement therefor.

(b) If any building or improvement constructed on the Demised Premises is damaged or destroyed on or after the date of completion of the Improvements as certified by an engineer employed by the City, and if any insurance proceeds are payable by reason thereof, Airline shall immediately after such damage or destruction cause to be prepared plans, specifications and estimates of cost for repairing, replacing or reconstructing the damaged or destroyed property in accordance with the original design, subject to such modifications thereof as may be approved by Airline and City. City shall be entitled to participate in the preparation of such plans and specifications, and must approve them prior to the commencement of reconstruction. Such insurance proceeds shall be applied, as promptly as practicable, to the repair, replacement or reconstruction of the damaged or

destroyed property, in accordance with such plans and specifications.

8.04 Proof of Insurance. Airline shall provide Certificates of Insurance as to all insurance policies required under this article. Said policies shall be delivered to the Commissioner. Airline shall notify the Commissioner twenty-five (25) days in advance of any change in such policies and furnish, within thirty (30) days of receipt of such change from the insurance carrier, copies of such policy change.

ARTICLE IX

9.01 Abatement in the Event of Closing. In the event that the Airport is closed for a period of time in excess of five (5) consecutive days by any order or direction of City or any other governmental authority or agency, or by any order or direction of any court of competent jurisdiction not stayed by way of appeal or otherwise then the rent payable by Airline shall abate for the period of such closing.

9.02 Abatement on Account of Casualty. (a) If due to damage or destruction by fire or other casualty, not due to any fault of Airline, any of the facilities to be furnished by City outside the Demised Premises as provided in Section 5.01 hereof are rendered unusable to such an extent as to substantially impair the ability of Airline to conduct normal operations on the Demised Premises, then the rent payable hereunder by Airline for the Demised Premises shall be paid up to the date of such damage or destruction. Such rent shall thereafter abate in an amount directly proportional to the extent Airline's ability to conduct normal operations on the Demised Premises is impaired by such damage or destruction unless and until City thereafter furnishes adequate temporary substitute facilities and expeditiously restores the facilities so damaged or destroyed; provided, however, that if City fails to repair such damage or destruction so that Airline's ability to conduct normal operations on the Demised Premises is substantially impaired for more than ninety (90) days, then Airline at its option may, by giving to City at least thirty (30) days prior notice, terminate this Lease. City shall not be liable to Airline for damages for City's failure to furnish such temporary substitute facilities or for City's failure expeditiously to restore such facilities.

(b) If due to damage or destruction by fire, Act of God, or other casualty affecting the Airport, Airline's use of the Airport in its conduct of an air freight transportation business is substantially affected, then, without any prejudice to any right of termination hereunder, Airline shall have the right, upon notice to City, to the abatement of a just proportion of the rent provided herein from the time of such notice until normal operations are permitted.

(c) Should the City determine that such casualty, damage or destruction does not substantially impair the ability of the Airline to conduct normal operations requiring the City to provide substitute facilities or repair of the Demised Premises, or if the City disputes the just proportion of rent to be abated, no rent shall abate and Airline shall pay all rent due hereunder identifying that portion of rent which it disputes and pays under protest and the reasons for such protest. Copies of such protest shall be delivered to the Commissioner. Within thirty (30) days of receipt of said protested rent, City shall notify Airline of either its acceptance of the protest, in which case such protested amount shall be refunded, or its denial of such protest. If such protest is denied, the City shall retain all protested funds pending a final resolution by a court of competent jurisdiction. The failure of the Commissioner to respond to Airline's protest within thirty (30) days shall be deemed an acceptance of such protest by the Commissioner.

(d) Except as otherwise expressly set forth herein, Airline shall have no right to rent abatement or set-off of any kind.

ARTICLE X

10.01 Release of City. (a) City shall not be liable to Airline, or to Airline's agents, representatives or employees, for any injury to, or death of, any of them or of any other person or for any damage to any of Airline's property or loss of revenue, caused by any third person in the maintenance, construction, or operation of facilities at the Airport, or caused by any third person using the Airport, or caused by any third person navigating any aircraft on or over the Airport, whether such injury, death, or damage is due to negligence or otherwise.

(b) City shall not be liable to Airline for damage to property of Airline or any loss of revenues to Airline resulting from City's acts or omissions in the maintenance and operation of the Airport except those caused by the active negligence of the City.

10.02 Regulating the Airport. Except as otherwise expressly set forth herein, City reserves the right to regulate, police, and further develop, improve, reconstruct, modify, or otherwise alter the Airport in City's sole discretion.

10.03 Indemnity. (a) Airline shall pay, and shall protect, indemnify and save City, its agents, officers and employees, harmless from and against any and all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands, judgments, awards and settlements including, without limitation, payments of claims or liability resulting from any

injury to or death of any person or damage to property, and costs of acquisition of real property as a result of claims described in subsection (i) below, in each case, arising out of the following except to the extent caused by the negligence of City or its agents, officers and employees) and only to the extent City is not reimbursed out of insurance proceeds thereof:

(i) Suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, or similar suits based upon the use of the Airport for the landing and taking-off of aircraft;

(ii) Airline's use or occupancy of the Airport or non-use (if such non-use is contrary to Airline's obligations hereunder) of any premises demised to Airline hereunder.

(iii) The condition of Airline's Demised Premises, including any equipment or facilities at any time located thereon, and any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto; or

(iv) The violation by Airline of any agreement, warranty, covenant or condition of this Agreement, of any other contract, agreement or restriction relating to the Airport, or of any law, ordinance, regulation or court order affecting the Airport.

(b) City shall promptly notify Airline in writing of any claim or action brought against City in respect of which indemnity may be sought by City against Airline hereunder, setting forth the particulars of such claim or action and shall furnish Airline with a copy of all suit papers and legal process. Airline shall assume and have full responsibility for the defense or settlement thereof, including the employment of counsel, and the payment of all expenses and all settlements or judgments. City shall cooperate fully with Airline in the defense of any case hereunder, and may employ separate counsel in any such action and participate in the defense thereof.

ARTICLE XI

11.01 Termination by City. City may terminate this Lease by giving Airline sixty (60) days advance notice upon or after the happening and during the continuance of any one of the following events:

(i) The filing by Airline of a voluntary petition in bankruptcy. In such event, City shall have the right to file a claim as a creditor and the rent due and to become due under the terms of this Lease shall be accelerated and become due and payable.

(ii) The institution of proceedings in bankruptcy against Airline and the final adjudication of Airline as a bankrupt pursuant to such proceedings.

(iii) The taking by a court of competent jurisdiction for a period of sixty (60) days of all or substantially all of Airline's assets pursuant to proceedings brought under the provisions of any Federal reorganization law.

(iv) The appointment of a receiver of all or substantially all of Airline's assets and Airline's failure to vacate such appointment within sixty (60) days thereafter.

(v) The assignment by Airline of its assets for the benefit of its creditors.

(vi) The Abandonment by Airline of its conduct of air transportation of cargo and freight at the Airport.

(vii) The default by Airline in the performance of any material covenant or agreement required to be performed by Airline herein and the failure of Airline to remedy such default, or to take prompt action to remedy such default, within a period of forty-five (45) days after receipt from City of notice to remedy the same.

No waiver by City of default of any of the terms, covenants or conditions hereof to be performed, kept and observed by Airline shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

ARTICLE XII

12.01 Recovery of Possession by City.

(a) If Airline Abandons the Demised Premises and the Lease is terminated, Airline's right to the possession of the Demised Premises shall terminate, with or without any further notice or demand whatsoever. In such event, Airline shall surrender possession of the Demised Premises immediately, and City shall have the right to enter into and upon the Demised Premises, or any part thereof, to take possession thereof, as against Airline and any other person claiming through it and to expel and remove Airline and any other person claiming through it who may be occupying the Demised Premises. City may use such force in so expelling and removing Airline and said other person as may reasonably be necessary, and such repossession shall not cause forfeiture of rent due hereunder, nor a waiver of any covenant, agreement or promise herein contained to be performed by Airline.

(b) The acceptance of rent, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach hereof by Airline, or the giving or making of any notice of demand, whether according to any statutory provision or not, or any act or series of acts except an express written waiver, shall not be construed as a waiver of any right hereby given City, or as an election not to proceed under the provisions of this Lease.

ARTICLE XIII

13.01 Termination by Airline. (a) Airline may terminate this Lease and any or all of its obligations hereunder if (i) at such time Airline is not in default in the payment of any amount due from it to City and (ii) any one or more of the following events has occurred:

(1) The failure or refusal of the Federal Aviation Administration to approve all operations into and from the Airport of aircraft of any type operated by Airline and continuance thereof for a period of at least sixty (60) days, so long as such failure or refusal is not due to any fault of Airline;

(2) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Airline's use of the Airport in its conduct of an air transportation system and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days.

(3) The issuance of any order, rule or regulation or the taking of any action by the Federal Aviation Administration or other competent government authority, or the occurrence of any fire or other casualty, substantially affecting, for a period of at least sixty (60) days, Airline's use of the Cargo Area in its conduct of an air transportation business; provided, however, that none of the foregoing shall be due to any fault of Airline.

(4) The default by City in the performance of any material covenant or agreement required to be performed by City herein or in any other agreement between City and Airline relating to the Airport or any part thereof, and the failure of City to remedy such default, or to take prompt action to remedy such default, within a period of sixty (60) days after receipt from Airline of notice to remedy the same.

(5) The substantial restriction of City's operation of the Airport by action of any governmental agency or

department, and continuance thereof for a period of not less than sixty (60) days, provided such restriction adversely affects Airline's operations at the Airport.

No waiver by Airline of default of any of the terms, covenants or conditions hereof, or of any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by City shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

Any termination by Airline pursuant to section 13.01(a)(1), (2), (3) or (5) shall not occur unless the Airline serves upon the Commissioner and Corporation Counsel notice of said termination, or intent to terminate thirty (30) days prior to such termination together with a statement of how the substantial operations of the Airline have been affected.

ARTICLE XIV

14.01 Right of Airline to Remove Property. Airline shall be entitled during the term of this Lease, and for a reasonable time (not exceeding forty-five (45) days) after its termination, to remove from the Demised Premises all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it pursuant to this Lease, subject to any valid lien City may have thereon for unpaid rent or other amounts payable by Airline to City hereunder or under any other agreement between City and Airline relating to the Airport or any part thereof; provided, however, that Airline shall promptly repair all damage resulting from such removal, reasonable wear and tear excepted.

ARTICLE XV

15.01 Non-Discrimination in the Use of the Demised Premises by Airline. This Agreement involves the construction or use of or access to space on, over or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public.

Airline, for itself, its personal representative, 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 subject to discrimination in the use of said facilities; (b) that no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to

discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (c) that Airline shall use the Demised Premises in compliance with all other requirements imposed by or pursuant to regulations of the United States Department of Transportation.

15.02 Non-Discrimination in Furnishing Services.

Airline agrees to furnish services on a fair and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit of service; provided, that Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates, and other similar types of price reductions.

15.03 Affirmative Action.

(a) Airline assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, age, sex, or national origin, be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Airline assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Airline assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Airline assures that it will require that its covered suborganizations provide assurances to Airline that they similarly will undertake an affirmative action program and that they will require assurance from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(b) Airline specifically agrees that it will comply with the provisions of Exhibit D relating to Disadvantaged Business Enterprises, Affirmative Action Procedures, and Equal Employment Opportunity and Residency for Construction of the Project.

ARTICLE XVI

16.01 Definitions. The following words, terms and phrases, shall, for purposes of this agreement, have the following meaning:

(1) "Abandonment" or "Abandons" means the cessation of the use of the Demised Premises by the airline of all of the uses permitted under this agreement in section 1.02, other than for reasons of strikes or Force Majeure, for a period of 60 days.

(2) "Agreement" means this Cargo Building Site Lease, as hereafter amended or supplemented from time to time in accordance with its terms.

(3) "Airline" means, at any time, the lessee of the Demised Premises referenced in section 1.01.

(4) "Air Transportation of Freight and Cargo" means the carriage by aircraft of property, cargo or mail as a common carrier for compensation or hire in commerce. Air Transportation of Freight and Cargo shall not mean the transportation of persons for compensation by aircraft in commerce.

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

(6) "Airport Use Agreement" means the Amended and Restated 1983 Airport Use Agreement and Terminal Facilities Lease.

(7) "City" means the City of Chicago, a municipal corporation, a home rule unit existing under the laws of the State of Illinois.

(8) "Demised Premises" means, at any time, those areas and facilities which are leased to such Airline for its exclusive occupancy and use as defined in section 1.01.

(9) "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.

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

(11) "Force Majeure" means an earthquake, flood, act of God, riot, civil commotion or other occurrence or condition of like nature of any regulation or order of any public or military authority stemming from the existence of economic controls, riot, hostilities or war.

(12) "Improvements" means the building structure, aircraft parking apron, and vehicular parking and loading areas

as described in Exhibit B attached hereto and herein incorporated by reference.

(13) "Operation and Maintenance Expenses" (sometimes abbreviated as "O&M Expenses" means for the Cargo Area, for any Fiscal Year, the costs incurred by the City in operating and maintaining the common areas of the Cargo Area during such Fiscal Year, either directly or indirectly by allocation to the Cargo Area by City in accordance with the practices and procedures of City historically used under the 1959 Airport Use Agreement and remaining in effect under the 1983 Airport Use Agreement, as amended, including without limitation:

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

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

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

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

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

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

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

(h) costs of advertising at or for the Cargo Area;

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

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

(14) "Runways" means, at any time, runways at the Airport for the landing and taking-off of aircraft.

(15) "Supervising Consultant" means a consultant selected by the City with expertise in the planning and construction of airports and facilities thereof.

(16) "Taxiways" means, at any time, taxiways and taxilanes at the Airport for the ground movement of aircraft to, from and between the runways, the Demised Premises, and other portions of the Airport.

16.02 Incorporation of Exhibits. The following exhibit attached hereto is made a part of this Agreement:

- Exhibit A - The Demised Premises
- Exhibit B - Description of Improvements
- Exhibit C - Procedures for Design and Construction of Improvements
- Exhibit D - Equal Employment and Affirmative Action
- Exhibit E - Cargo Area Layout Plan
- Exhibit F - Taxi Lane Pavement

ARTICLE XVII

17.01 Notices. All notices to City provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to the Commissioner of Aviation of the City of Chicago, City Hall, Chicago, Illinois 60602, or to such other address as City may designate from time to time by notice to Airline or as required by this agreement, and shall be deemed given when so mailed. All notices to Airline provided for herein

shall be in writing and may be sent by registered mail, postage prepaid, addressed to Airline, Manager, Airport Properties, United Parcel Service, 9504 Williamsburg Plaza, Louisville, Ky., 40222 and National Real Estate, United Parcel Service, 51 Weaver Street, Greenwich Office Park 5, Greenwich, Ct., 06830 or to such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

17.02 Separability. In the event any covenant, phrase, clause, paragraph, section, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, phrase, clause, paragraph, Section, condition or provision shall in no way affect any other covenant, phrase, clause, paragraph, section, condition or provision herein contained.

17.03 Remedies Cumulative. The rights and remedies granted in this Lease are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

17.04 Headings. The Section headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Lease.

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

17.06 Construction and Consent to Jurisdiction. This Lease shall be deemed to have been made in, and shall be construed in accordance with the laws of the State of Illinois.

17.07 Late Payments. Any payment required to be made by Airline under this Lease which is not paid within five (5) days of its due date shall bear interest at the rate of four (4) points above the highest "prime" lending rate of interest announced from time to time by the four largest commercial banks in Chicago, determined on the basis of total assets.

17.08 Counterparts. This Lease may be executed in counterparts, each of which shall be an original, and collectively shall be one instrument.

17.09 Amendments. This Lease constitutes the entire agreement of the parties with respect to the subject matter contained herein, and may not be modified or amended except in a writing signed by both parties.

IN WITNESS WHEREOF, the City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and United Parcel Service, Inc. has caused this Lease to be executed on its behalf by its VICE President and its corporate seal to be hereunto affixed and attested by its ASST Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

CITY OF CHICAGO

By *J. Eugene Sawyer*
Mayor

ATTEST:

Walter A. Korboudis
City Clerk

APPROVED:

Ronald D. Davis
City Comptroller

APPROVED:

Howard Stark
Commissioner of Aviation

APPROVED:

David L. Williams
Commissioner of Department
of Public Works

12/8/88

UNITED PARCEL SERVICE, INC
By *Joseph J. Bellotti* *ref*
vice President

ATTEST:

W. S. Bell
Asst Secretary

EXHIBIT B

Airline will construct the following:

- a. Aircraft parking apron for its exclusive use.
- b. Building and support service space.
- c. A taxi lane on the west side of the demised premises (Article 3.06).
- d. A taxi lane on the north side of the demised premises.

EXHIBIT C

PROCEDURES FOR DESIGN AND CONSTRUCTION OF IMPROVEMENTS

Paragraph 1. Responsibility for Design and Construction. Airline shall undertake the design and construction of the Improvements. Airline will negotiate and award, design and construction contracts and supervise the design, construction and installation of the Improvements throughout until their completion. In order to expedite construction of the Improvements, contracts associated with the design, construction and installation of the Improvements may be negotiated rather than competitively bid. Subject to the provisions of Paragraph 2 hereof, Airline may commence the acquisition, construction and installation of the Improvements at any time after the execution and delivery of this Lease and agrees that it will commence the acquisition, construction and installation of the Improvements as promptly as practicable, and that it will complete the acquisition, construction and installation of the Improvements with all reasonable dispatch.

Paragraph 2. Coordination with City. The design and construction of the Improvements will be in accordance with O'Hare design procedures and standards and reasonable construction standards established or approved by City. Such procedures and standards will not impose on Airline stricter or more rigid procedures or standards than are applied to other airlines at the Airport. Such procedures and standards will be established in a timely manner.

(a) Project Planning and Design Phase - Airline will submit, or cause to be submitted, to City's Commissioner of Aviation and Commissioner of Public Works (the "Commissioners") proposed plans and specifications for the Improvements for review and comment by City. Such plans and specifications and all amendments thereto shall be subject to the approval of the Commissioners, which approval shall not be unreasonably withheld. The Commissioners will approve, conditionally approve or disapprove submissions of any such plans and specifications within ten (10) business days or as mutually agreed to following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation as to the reason therefor. Notwithstanding the fast track construction procedures, Airline will complete each contract package to a reasonable level of detail (including alternate designs selected by Airline for major structural, mechanical, electrical and architectural elements) that will allow City appropriate review upon which to base the approval. Airline shall not

proceed with construction until all necessary approvals have been obtained.

(b) City Construction Coordinator and Staff - The Commissioners shall designate a supervising consultant (the "Supervising Consultant") which shall act on behalf of City with respect to all matters related to the design and construction of the improvements and the coordination of construction of the Improvements with the operation of the Airport. Airline will provide reasonable administrative space for the Supervising Consultant contiguous to the Demised Premises. The Supervising Consultant shall provide such personnel as shall be necessary from time to time. All of City's communications to Airline with respect to the design and construction of the Improvements shall be made by or through the Supervising Consultant or the Commissioners. The cost of the Supervising Consultant shall be paid initially by City and reimbursed by Airline. City agreed to use its best efforts to keep the cost of such personnel as low as reasonably practicable, and in no event shall the aggregate amount of reimbursement to City hereunder exceed one percent (1%) of the cost of the design and construction of the Improvements. City shall provide for Airline's review in November or December of each year during the period of construction, a definitive statement of Supervising Consultant services and required manpower and dollar budgets by month, with regard to the Improvements for the following calendar year. City shall provide Airline a detailed review and analysis of actual expenditures against budgets, including reallocation of budgets if required, with regard to the Improvements on a semi-annual basis. More frequent budget reviews will be provided at Airline's request. City shall provide Airline monthly invoices that describe time charges of Supervising Consultant staff assigned to the Improvements. Airline may, within ten (10) days of such provision, request a meeting with City to review and discuss such invoices. City shall hold such meeting or provide Airline with a reasonable opportunity for such a meeting, and give due consideration to Airline's concerns and recommendations regarding such invoices. Airline further may request City to review and audit Supervising Consultant invoices related to the Improvements at any time. Airline shall, upon request, receive copies of all such audits performed by City and may interview the personnel who performed such audits.

(c) Airline to Provide Information - Prior to the start of design of the Improvements and thereafter as may be necessary to provide the Commissioners with current and complete information as to the construction of the Improvements, Airline shall submit to the Commissioner through the Supervising Consultant (i) initial and updated construction schedules (which shall be reviewed by the Supervising Consultant for their impact and relation to other construction projects at the Airport) indicating the proposed and/or actual sequence of all

construction contracts and subcontracts and the estimated date of completion of the work under each such contract, (ii) initial and updated site utilization plans, including contract limit lines, storage and office areas and proposed temporary alterations or detours intended to maintain public access and support detours intended to maintain public access and support services, to, from, through or past operating facilities at the Airport, and (iii) Airline's initial and updated estimates of the aggregate cost of the Improvements.

(d) Construction Phase - City shall have the right to monitor the construction of the Improvements to assure that the facilities which comprise the Improvements are constructed and installed in conformity with the plans, specifications and standards therefor. In order to assist City in monitoring the construction of the Improvements the general contractor shall submit, or cause to be submitted, to the Supervising Consultant, for information and record purposes, copies of all (i) field test reports, (ii) equipment purchase orders reflecting a cost in excess of \$100,000, (iii) material certificates, (iv) approved shop drawings, (v) requests for payment to contractors or subcontractors, (vi) progress reports, (vii) notification of substantial completion of the Improvements and final acceptance thereof, (viii) maintenance and operations manuals in connection with building systems, (ix) as-built drawings, and (x) any other documents related to the Improvements which may be reasonably requested by City. No change order which materially changes the scope of the work shall be effected by Airline without the approval of the Supervising Consultant as to compliance with the plans and specifications, which approval shall not be unreasonably withheld. The Supervising Consultant will approve, conditionally approve or disapprove submissions of change orders within (10) business days following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation as to the reason therefor.

In the event the Supervising Consultant determines that the construction of the Improvements is at material variance from the plans, specifications and standards therefor, Airline shall use its best efforts to expeditiously resolve such variance through immediate consultation with representatives of Airline's architect and the general contractor.

If such consultation fails to achieve a result satisfactory to the Supervising Consultant, by written notice to Airline, the Supervising Consultant may, until it has been determined under the applicable contract that the work has been performed without material variance from the plans and specifications for such contract, (a) suggest to Airline that it withhold payments from any contractor or subcontractor which has performed, in the judgment of the Supervising Consultant, work which is at material variance from the plans and specifications,

or (b) suggest to Airline that it stop work on any portion of the Improvements directly affected by such variance from the plans, specifications and standards. If Airline's response is, in the opinion of the Commissioners, not acceptable to City, the Commissioners may direct Airline to stop work on any portion of the Improvements that are in variance with the plans, specifications and standards.

Any work or material which is at material variance from the plans and specifications therefor shall be corrected or replaced by Airline, provided that city informs Airline of such variance within ten (10) business days following the performance of such work unless such variance could not have been discovered with due diligence in which case City shall inform Airline of such variance as soon as reasonably practicable. If such work or material is not corrected or replaced by Airline within thirty (30) days following notice from City to Airline, City may cause such work to be corrected or such material to be replaced, with its own forces or otherwise, at the expense of Airline, provided that in the event such work cannot be corrected or such material cannot be replaced within said thirty (30) day period, Airline shall be afforded such additional reasonable time as may be necessary to correct such work or replace such material.

Paragraph 3. Access to Project Site. Airline, and its architects, engineers and contractors, shall have full and complete access to the Demised Premises and other areas of the Improvements, provided that such access shall not unreasonably interfere with the operation of the Airport. The Supervising Consultant shall have authority to arrange and shall arrange such access. It is Airline's responsibility to coordinate its design and construction with all other development projects at the Airport. Airline is solely responsible for any cost it or its contractors incur due to such coordination.

EXHIBIT D
EQUAL EMPLOYMENT AND AFFIRMATIVE ACTION

Paragraph 1. Minority and Women Business Enterprise

Airline shall provide for the participation of Minority and Women Business Enterprise to the maximum extent possible in the design and construction of the improvements. To this end, Airline shall establish a policy for the utilization of Minority and Women Business Enterprises, a liaison with the Department of Aviation and Department of Purchasing for Minority and Women Business Enterprises, a goal for the award of design and construction contracts, a reporting procedure, and a goal for the employment of Chicago Residents in the construction of the improvements.

Paragraph 2. Airline Policy

The following statement represents Airline's policy regarding Equal Opportunity and a Minority and Women Business Enterprise program:

Airline is committed to providing fair and representative opportunities for minorities and Minority and Women Business Enterprises in its corporate construction project. Neither Airline, nor its contractors, shall discriminate on the basis of race, color, religion, sex or national origin in the award and performance of contracts to be utilized for any of Airline's corporate construction project. Furthermore, affirmative action will be taken, consistent with sound procurement policies and applicable law, to ensure that Minority and Women Business Enterprises are afforded a fair and representative opportunity to participate in Airline's construction project contracts.

This policy shall be stated in all contracts executed for construction of the Improvements, circulated to all employees of Airline in effected departments, and made known to minority and women entrepreneurs.

Paragraph 3. City Policy

It is the policy of the City of Chicago that Minority and Women Business Enterprises as defined in City of Chicago Executive Order 85-2 and Regulations Governing Certification of Minority and Women-owned Businesses, shall have the maximum opportunity to participate fully in the performance of contracts for the design and construction of the improvements. Therefore the Airline shall not discriminate against any person or business

on the basis of race, color, national origin, or sex, and shall take affirmative action to ensure that women and minority businesses shall have the maximum opportunity to compete for and perform subcontracts for supplies or services.

Failure to carry out the commitments and policies set forth herein shall constitute a material breach of the Lease and may result in the termination of the Lease or such remedy as the City of Chicago deems appropriate.

Accordingly, the Airline agrees to expend not less than the percentages stated in Paragraph 4 of the total contract price for the construction and design of the improvements for contract participation by Minority and Women Business Enterprises.

Paragraph 4. Goals

The goals to be met by the Airline in the design and construction of the Improvements shall be the fullest utilization of Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) subject to the availability of MBE and WBE capable of performing the design and construction of the improvements. These goals shall be administered in a manner to assure the City and Airline that, (1) the Improvements shall be completed at a reasonable and acceptable cost to Airline, (2) the Improvements shall be completed on a reasonable and acceptable timetable to Airline and City and, (3) the construction quality for the Improvements shall be reasonable and acceptable to Airline and City.

The goals of the Airline for participation by Minority and Women Business Enterprises (MBE and WBE) in the design and construction of the project shall be to achieve a minimum MBE and WBE participation not less than Fifty-One percent (51%) of the total contracted expenditures for the Improvements. Airline shall make all reasonable efforts for MBE and WBE participation in the design of the Improvements.

Paragraph 5. Definitions

"Minority Business Enterprises" or "MBE" means a firm awarded certification as a minority owned and controlled business in accordance with City Regulations.

"Women Business Enterprise" or "WBE" means a firm awarded certification as a women owned and controlled business in accordance with City Regulations.

(Copies of the Regulations Governing Certification of Minority and Women-owned Businesses are available from the Department of Purchases, Room 401, 121 N. LaSalle Street, Chicago, Illinois 60602).

"Directory" means the Directory of Certified "Disadvantaged Business Enterprises" "Minority Business Enterprises" and Women Business Enterprises" maintained and published by the Department of Purchases. The Directory identifies firms that have been certified as MBEs and WBEs, and includes both the date of their last certification and the area of specialty in which they have been certified. The Airline is responsible for verifying the current certification status of all MBE and WBE firms.

"Area of Specialty" means the description of a MBE or WBE firm's business which has been determined by the Purchasing Agent to be most reflective of the MBE and WBE firm's claimed specialty or expertise. Each MBE and WBE letter of certification contains a description of their Area of Specialty. This information is also contained in the Directory. Credit toward this contract's MBE or WBE participation goal shall be limited to the participation of firms performing within their Area of Specialty.

NOTICE: The Department of Purchases does not make any representation concerning the ability of any MBE or WBE to perform work within their Area of Specialty. It is the responsibility of the Airline to determine the capability of MBE and WBE firms to satisfactorily perform the work proposed.

"Joint Venture" means an association of two or more businesses to carry out a single business enterprise for profit, and for which purpose they combine their expertise, property, capital, efforts, skill and knowledge. Contractors may develop joint venture agreements as an instrument to provide participation by MBEs and WBEs in contract work. A joint venture seeking to be credited for MBE and/or WBE participation may be formed among MBE and WBE firm(s) and non-MBE/WBE firm(s).

A joint venture is eligible for MBE and/or WBE credit if the MBE and/or WBE venturer(s) share in the ownership, control, management, responsibilities, risks and profits of the joint venture, and are responsible for a clearly defined portion of work to be performed, in proportion with the MBE and/or WBE ownership percentage.

Paragraph 6. Counting MBE/WBE Participation Toward the Airline's Goals

The Purchasing Agent reserves the right to deny or limit MBE/WBE credit to the Airline where any MBE or WBE is found to be engaged in substantial subcontracting or pass-through activities with others. In this regard, Airline may count toward its MBE and WBE goals only expenditures to firms that perform a commercially useful function. A firm is considered to perform a commercially useful function when it is responsible for the performance of a

clearly defined and distinct element of work and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To determine whether a firm is performing a commercially useful function, the Purchasing Agent shall evaluate the amount of work subcontracted, industry practices, and other relevant factors. The amount of MBE/WBE participation credit shall be based upon an analysis by the Purchasing Agent of the specific duties that will be performed by the MBE or WBE. Each MBE/WBE shall be expected to actually perform a substantial portion of work contemplated for it by any subcontract or agreement through the use of its own employees and equipment.

Paragraph 7. Counting Contract Participation by Joint Ventures

A joint venture seeking to be credited for MBE and/or WBE participation may be formed among MBE and/or WBE firms or between a MBE and/or WBE firm and a non-MBE/WBE firm.

A joint venture is eligible if, and only if, all of the following requirements are satisfied:

the MBE and/or WBE venturer(s) share in the (1) ownership, (2) control, (3) management responsibilities, (4) risks and (5) profits of the joint venture in proportion with the MBE and/or WBE ownership percentage; and

the MBE and/or WBE venturer(s) are responsible for a clearly defined portion of work to be performed, in proportion with the MBE and/or WBE ownership percentage.

The Purchasing Agent will evaluate the proposed joint venture agreement, and all related documents to determine whether these requirements have been satisfied. In addition, the Purchasing Agent shall consider the record of the joint venturers as joint venturers on City of Chicago contracts. The decision of the Purchasing Agent is regarding the eligibility of the Joint Venture shall be final.

Note: Credit for participation by MBEs and/or WBEs in joint venture with non-MBE/WBEs does not require a minimum participation of 51% in venture ownership and control on the part of the MBE or WBE. A junior ownership interest only in the venture by the MBE or WBE can be credited toward the contract MBE or WBE goal in a pro rata fashion.

Paragraph 8. Counting MBE and WBE Participation Toward the Contract Goals (Construction)

The participation of MBEs and WBEs as construction subcontractors and sub-subcontractors shall be counted toward the Airline's MBE and WBE construction commitments as follows:

A. Once a MBE or WBE is determined to be eligible in accordance with these rules, the total dollar value of the contract awarded to the MBE or WBE may be counted toward the MBE or WBE goal, except as indicated below.

B. The Airline may count toward its MBE or WBE goal a portion of the total dollar value of a contract with a joint venture eligible under the standards of this Special Condition equal to the percentage of the ownership and control of the MBE or WBE venturer.

C. The Airline may count toward its MBE or WBE goal sixty percent (60%) of its expenditures for materials and supplies required under the contract and obtained from a MBE or WBE "regular dealer" and one hundred percent (100%) of such expenditures to a MBE or WBE manufacturer.

For purposes of this section, a manufacturer is a firm that operates or maintains a factory or establishment that produces on the premises the materials or supplies obtained by the Airline.

For purposes of this section, a "regular dealer" is a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials or supplies required for performance of the contract are bought, kept in stock, and regular sold to the public in the usual course of business. To be a "regular dealer", the firm must engage in, as its principal business, and in its own name, the purchase and sale of the products in question. A "regular dealer" in such bulk items as steel, cement, gravel, stone, and petroleum products need not keep such products in stock, if it owns or operates distribution equipment. Brokers and packagers shall not be regarded as manufacturers or "regular dealers" within the meaning of this section.

D. The Airline may count toward its MBE or WBE goal the following expenditures to MBE or WBE firms that are not manufacturers or "regular dealers":

1. The fees or commissions charged for providing a bona fide service, such as professional, technical, consultant or managerial services and assistance in the procurement of essential personnel, facilities, equipment, materials or supplies required for performance of the contract, provided that the fee or commission is determined by the Purchasing Agent to be reasonable and not excessive as compared with fees customarily allowed for similar services.

2. The fees charged for delivery of materials and supplies required on a job site (but not the cost of the materials and supplies themselves) when the hauler, trucker, or delivery service is not also the manufacturer of or a "regular dealer" in the materials and supplies, provided that the fee is determined by the Purchasing Agent to be reasonable and not excessive as compared with fees customarily allowed for similar services.

3. The fees or commissions charged for providing any bonds or insurance specifically required for the performance of the contract, provided that the fee or commission is determined by the Purchasing Agent to be reasonable and not excessive as compared with fees customarily allowed for similar services.

Paragraph 9. Waiver

No relief of the MBE/WBE requirements will be granted by the City except in exceptional circumstances. Requests for complete or partial waiver of the MBE/WBE requirements of this contract must be in writing, stating all details of the request, the circumstances, and any additional relevant information. The request must be accompanied by a record of all efforts taken by the Airline to locate specific firms, solicit MBE/WBE bids, and seek assistance from technical assistance agencies.

In a case where an enterprise under contract was previously considered to be a MBE/WBE but is later found not to be, or whose work is found not to be creditable toward MBE/WBE goals fully as planned, the City will consider the following special criteria in evaluating a waiver request:

- (1) Whether the Airline was reasonable in believing the enterprise was a MBE/WBE or that eligibility or "counting" standards were not being violated;
- (2) The adequacy of unsuccessful efforts taken to obtain a substitute MBE/WBE.

The Purchasing Agent has the sole authority regarding all matters of MBE/WBE compliance, including the granting of waivers or other relief to the Airline.

Paragraph 10. Non-Compliance and Liquidated Damages

The Purchasing Agent shall have the discretion to apply suitable sanctions to the Airline if the Airline is found to be in non-compliance with the MBE/WBE requirements. Failure to comply with the MBE or WBE terms of this Lease constitutes a material breach of this Lease, and may lead to the suspension or

termination of this Lease in part or in whole; furthermore, continued eligibility to enter into future contracting arrangements with the City may be jeopardized as a result of non-compliance.

When construction of the Improvements are completed, in the event that the City has determined that the Airline was not compliant in the fulfillment of the required MBE/WBE goals, and a grant of relief of the requirements was not obtained, the City will thereby be damaged in the failure to provide the benefit of participation to MBEs or WBEs to the degree set forth in this Special Condition.

Therefore, in such case of non-compliance, the City will charge as liquidated damages cumulative amounts computed as follows:

For each one percent (or fraction thereof) of shortfall toward the MBE goal or WBE goal, one percent of the cost of the design and Construction of the Improvements shall be surrendered by the Airline to City in payment as liquidated damages.

Paragraph 11. Record Keeping

The Airline shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs, retaining these records for a period of at least three years after the date of Beneficial Occupancy. Full access to these records shall be granted to the City of Chicago, Federal or State authorities in this project, the U.S. Department of Justice, or any duly authorized representatives thereof.

Paragraph 12. Airline

The Airline must itself assist MBEs and WBEs in overcoming barriers to program participation. The following instruments of assistance, for example, should be used as applicable:

- (1) Developing solicitations of sub-contract bids so as to increase potential MBE and WBE participation. This can take the form of breaking down large subcontracts into smaller ones, and of issuing notice of solicitations in a timely manner;
- (2) Providing technical assistance and guidance in the bidding, estimating, and scheduling processes;
- (3) Considering purchasing supplies and/or leasing the required equipment for a job, then subcontracting only for the expertise required to perform the work;

- (4) Providing accelerated payments or establishing pro-rated payment and delivery schedules so as to minimize cash flow problems faced by small firms;
- (5) Providing, waiving, or reducing subcontractor bonding requirements; allowing stage bonding (bonding carried over from one project stage to the next);
- (6) Providing a pre-bid conference for potential subcontractors.

In addition to the employment of minority and women construction enterprises and material suppliers, the Airline should consider the utilization of MBEs and WBEs in fields not directly related to the construction contracts: banking, office equipment sales, vehicles sales, mechanical repair, legal and accounting services, building security, graphics and advertising, etc.

Paragraph 13. Equal Employment Opportunity

Compliance with MBE and WBE requirements will not diminish or supplant Equal Employment Opportunity and Civil Rights provisions as specified elsewhere in this Lease.

Paragraph 14. Liaison

To ensure compliance and the successful management of Airline's Minority and Women Business Enterprise program, Airline shall establish a Minority and Women Business Enterprise Liaison with City's Designated Minority and Women Business Enterprise Liaison Counsel with the U.S. Department of Transportation and with the City Department of Purchasing for the Improvements. Further, all personnel of Airline with responsibilities in the supervision of contracts for Improvements are to see that actions are performed consistent with the affirmative action goals of this Exhibit.

Paragraph 15. Reporting

At quarterly intervals beginning October 1, 1988, Airline shall submit to City a Minority and Women Business Enterprise progress report, on forms or on a format established by the City, that includes the following items:

- (i) the total amount of prime and subcontract awards during the quarter, and for any contract awards to Minority and Women Business Enterprises resulting therefrom, the name of the Minority and Women Business Enterprise and the amount of the contract with the Minority and Women Business Enterprise;

(ii) the cumulative value of all prime and subcontract awards to date, and the total accumulation of all awards to Minority and Women Business Enterprise;

(iii) a projection of the total amount of prime and subcontracts to be awarded and of Minority and Women Business Enterprise contracts to be awarded during the next quarter;

(iv) all Minority and Women Business Enterprise subcontracts that have been completed and for which final payment has been made during the quarter; and

(v) an evaluation of the overall progress to date towards the Improvement's Minority and Women Business Enterprise goals.

Paragraph 16. Contracting Authority of Airline

Nothing contained in this Exhibit D shall be deemed to amend or supercede the authority and responsibility of Airline with respect to the contracting process for the Improvements as set forth in Exhibit C.

Paragraph 17. Chicago Residents Employment Commitment

The total construction worker hours by the Airline, its contractors or any subcontractor, in the categories of skilled construction trade workers and unskilled construction laborers shall be performed at least 50 percent, by actual residents of the City of Chicago.

These minimal percentage levels of Chicagoans as laborers and skilled trade workers shall not be understood as limiting or deterring the fuller utilization of Chicagoans beyond these numerical levels, but are intended instead as minimum requirements.

"Skilled construction trade workers" includes all worksite foreman, journeyworkers, including technical engineers, apprentices, constructoin trainees and helpers. Salaried superintendents are excluded from the coverage of this special provision, as well as clerical workers, security guards, and custodial workers.

"Actual residents of the City of Chicago" shall mean persons dimiciled within the City of Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

The Airline or its Agents, shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the project. The Airline

and its contractors shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent), submitted to the City in triplicate, shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Airline or contractor hired the employee should be written in after the employee's name.

Full access to the Airline and/or contractors' employment record shall be granted to the City or any duly authorized representative thereof. The Airline and/or contractors shall maintain all relevant personnel data in records for a period of at least three years after final completion of the Improvements.

At the direction of the City, affidavit and other supporting documentation will be required of the Airline to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of the Airline to provide utilization of actual Chicago residents shall not suffice to replace the actual, verified achievement of the requirements of this section concerning the worker hours performed by actual Chicago residents.

When the Improvements are completed, in the event that the City has determined that the Airline was not compliant in the fulfillment of the requirement of this section concerning the worker hours performed by actual Chicago residents or has failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrate employment to Chicagoans to the degree stipulated in this section. Therefore, in such case of non-compliance it is agreed that 1/20 of 1 percent, 0.0005, of the total cost of the Improvements shall be surrendered by the Airline to the City in payment for each percentage of shortfall toward the stipulated residency requirement for laborers and that 1/20 of 1 percent, 0.0005, of the total cost of the Improvements shall be surrendered by the Airline to the City in payment for each percentage of shortfall toward the stipulated residency requirement for skilled trade workers. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements in the certification of payroll data may subject the Airline and/or contractors or employees to civil or criminal prosecution. See Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

Nothing herein provided shall be construed to be a limitation upon the 'Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246' and, Standard Federal Equal Employment Opportunity, Executive Order 11246' or other affirmative action required for equal opportunity under the provisions of this Lease.

Exhibit A-1

(1996 Amendment to the UPS Lease)

attached

AMENDMENT

This Amendment to the Cargo Building Site Lease made and entered into as of the 2nd day of February, 1989, by and between the CITY OF CHICAGO, a municipal corporation and home rule unit existing under the constitution of the State of Illinois ("City"), and UNITED PARCEL SERVICE, INC., (the "Airline"), a corporation organized and existing under and by virtue of the laws of the State of Ohio and registered to do business in Illinois.

RECITALS

WHEREAS, the City owns and operates the airport known as Chicago O'Hare International Airport ("Airport"), and has the power to lease premises and facilities and to grant rights and privileges with respect thereto; and

WHEREAS, the City and the Airline are parties to the Amended and Restated Airport Use Agreement and Terminal Facilities Lease ("Use Agreement") dated as of May 12, 1983; and

WHEREAS, the City and the Airline are also parties to a Cargo Building Lease dated as of February 2, 1989 ("Lease"); and

WHEREAS, the Airline desires to add 6,666 square feet to the premises leased under the Lease; and

WHEREAS, the City is willing to make such increase in square footage of the premises; and

WHEREAS, §27.01 of the Use Agreement provides that the City will not grant more favorable rights or privileges to similarly situated air carriers; and

WHEREAS, it is necessary and advisable to further amend the Lease in certain respects in order to satisfy §27.01 of the Use Agreement;

NOW, THEREFORE, for and in consideration of the promises and of the mutual covenants and agreements herein contained, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

Section 1. The above recitals are hereby incorporated by reference as if fully set forth herein.

Section 2. The Lease is hereby amended by deleting Exhibit A dated December 15, 1988 in its entirety and substituting the Exhibit A attached hereto as Attachment 1.

Section 3. Section 1.01 of the Lease is hereby deleted in its entirety and is replaced with the following language:

"1.01 Lease of Premises. The City hereby leases to the Airline, and the Airline hereby leases from the City, the land depicted on Exhibit A hereto (the "Demised Premises"), which land consists of 374,866 square feet, together with the facilities, rights and privileges hereinafter described. The City shall use its best efforts to deliver possession of the Demised Premises to the Airline no later than the date of execution of this Lease. The date on which the City actually delivers to the Airline the possession of the Demised Premises is referred to herein as the "Delivery Date." The City will take field

Demised Premises is referred to herein as the "Delivery Date." The City will take field measurements of Demised Premises, and Exhibit A shall be amended, if necessary, to reflect such field measurements without need for further action by City or Airline."

Section 4. Section 3.01(a) of the Lease is hereby deleted in its entirety and is replaced by the following language:

"(a) At such time and in such manner as set forth in subsection (b) the Airline shall pay to the City rent calculated in the following manner:

\$0.45 per square foot per year for 374,866 square feet.

Rent payable on the 6,666 square feet of land leased to the Airline pursuant to an ordinance dated February 7, 1996 shall be effective as of April 1, 1996."

Section 5. Section 3.01(c) of the Lease is hereby deleted in its entirety and replaced with the following language:

"(c) Rent payable hereunder shall be increased beginning on the January 1 following the fifth anniversary date of this Lease, and on January 1 every five years thereafter by multiplying the rent by a fraction, the numerator of which is the Producer Price Index/All Commodities ("PPI") published by the United States Department of Labor, Bureau of Labor Statistics (January 1982 = 100) for the month of December preceding said January 1, and the denominator of which is the PPI for the first year of this Lease. Each yearly period for which the PPI is to be recalculated hereunder shall be referred to herein as a "Recalculation Period." Upon receipt by the Airline of written notice from the Commissioner, rent, as so adjusted, shall be paid in the manner set forth in subparagraph (b) above.

If the Department of Labor substantially modifies the manner in which the PPI is determined, then the City shall adjust the revised index in order to produce results as nearly equivalent as are possible to the results which would have been obtained if the method of determining the PPI had not been modified. If the PPI is discontinued or otherwise becomes unavailable to the public, the City shall substitute therefor a comparable index, which index shall be based upon changes in the cost of living or purchasing power of the consumer dollar, and shall be published by any other governmental agency or department. If no such government-published index is available, a comparable index published by a recognized financial institution, financial publication, or university shall be substituted. The selection of a substitute index shall be made by the City, in the sole discretion of the City.

If the computation of aforesaid increase in rent cannot be completed until after the beginning of a Recalculation Period, the Airline shall continue to pay rent at the then current rate until the information for completing the computation is available. Any shortfall in prior rental payments determined by said computation shall be paid to City within sixty (60) days after Commissioner supplies the Airline with said computation."

Section 6. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 7. This Amendment constitutes the sole change to the Lease. No other terms or conditions are modified and no other changes shall be implied herefrom.

Section 8. This Amendment was authorized by ordinance passed by the City Council of the City on February 7, 1996 (C.J.P., p. 15360-
15365).

CITY OF CHICAGO

Recommended by:

Maryrose Tracy
Commissioner
Department of Aviation

Mayor

Attested by:

Approved by:

City Clerk

City Comptroller

Approved as to form and legality by:

Assistant Corporation Counsel

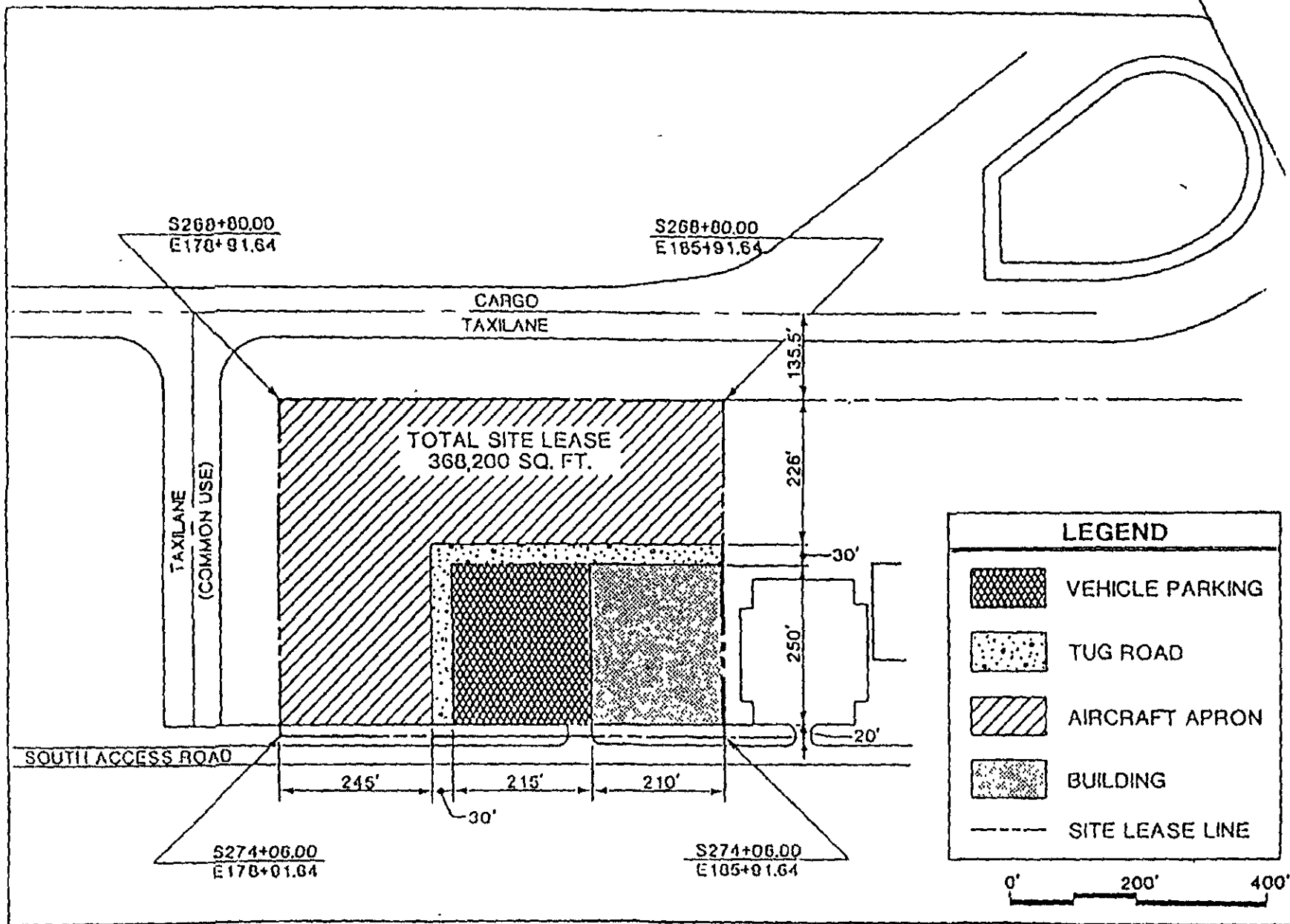
UNITED PARCEL SERVICE, INC.

By: [Signature]
Name: Thomas G. Scott, Sr.
Title: Vice President - Sales
+ Corporate Counsel

Attest:


By: [Signature]
Name: Coanie French
Title: United Parcel Service Representative

ATTACHMENT 1



Chicago O'Hare International Airport
 City of Chicago
 Eugene Sawyer Mayor

Department of Aviation
 Howard Starkuck, PhD
 Commissioner of Aviation

UPS CARGO SITE LEASE  Exhibit A

20
4

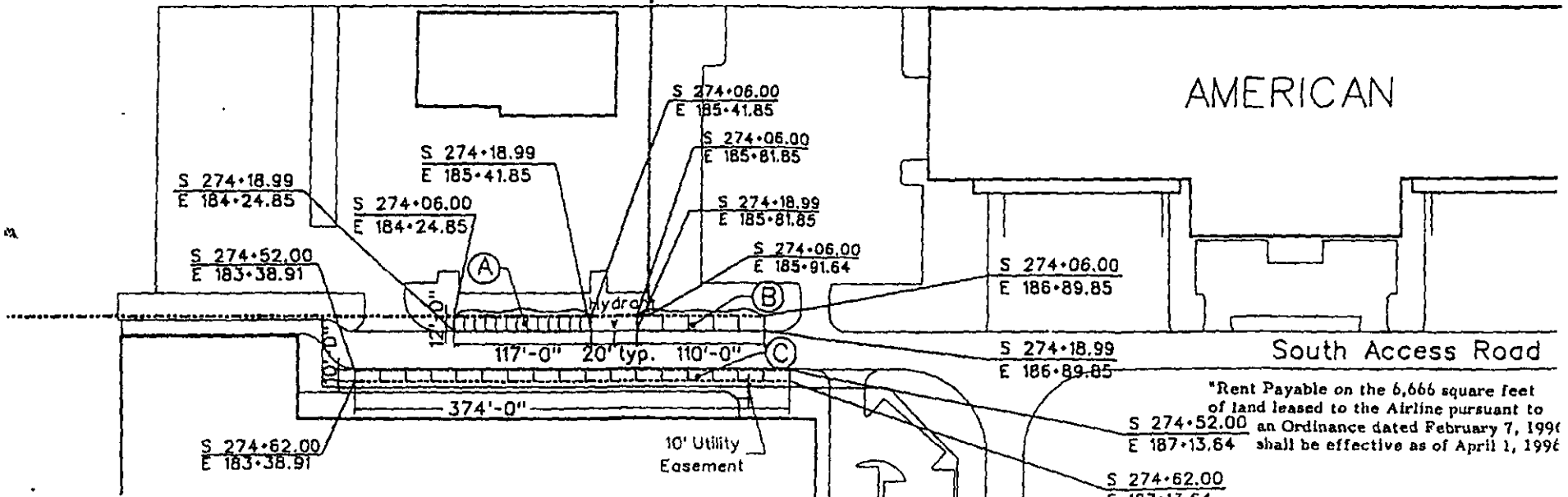
Existing Lease Limit

S 268•80.00
E 185•91.64

- Ⓐ 1,514.90 Sq. Ft.
(13 Spaces @ 9'- 0" typ.)
- Ⓑ 1,403.89 Sq. Ft.
(5 Spaces @ 22'- 0" typ.)
- Ⓒ 3,747.30 Sq. Ft.
(17 Spaces @ 22'- 0" typ.)

UPS

Total Sq. Ft. = 368,200.00



Exhibits B1, B2 and B3

(attached)

American Airlines Cargo Building

UPS-ADDITIONAL PARKING PREMISES LEASE EXHIBIT B-1

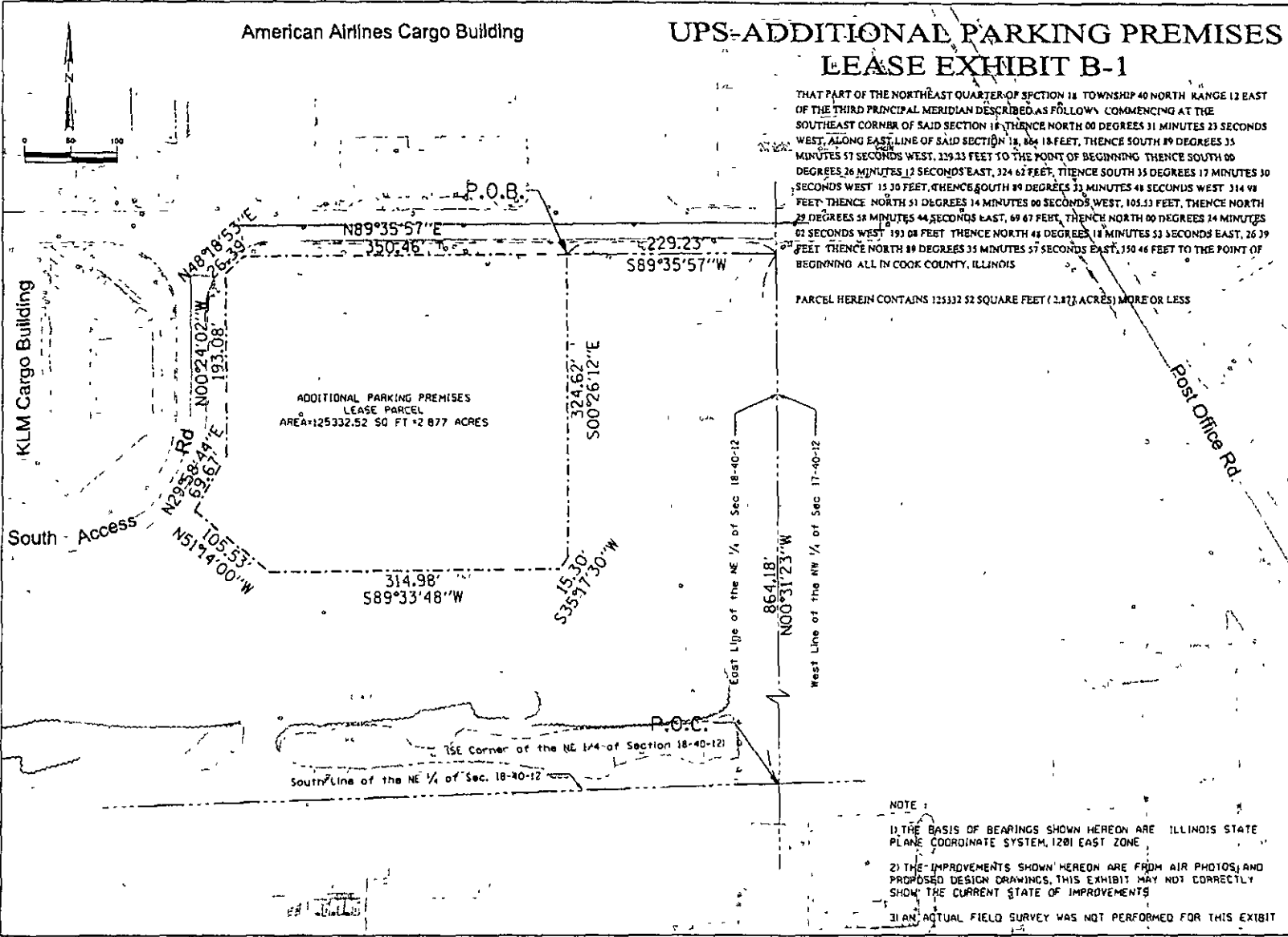
O'HARE INTERNATIONAL AIRPORT
CITY OF CHICAGO
DRAFT SPECIFICATIONS



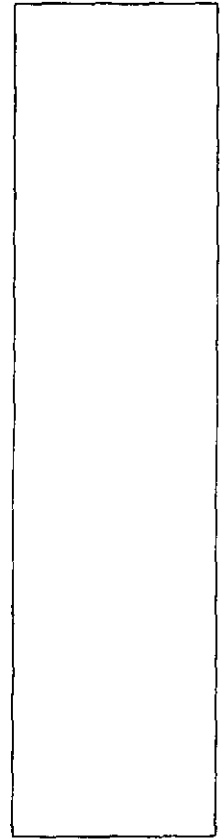
THAT PART OF THE NORTHEAST QUARTER OF SECTION 18 TOWNSHIP 40 NORTH RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 18 THENCE NORTH 00 DEGREES 31 MINUTES 23 SECONDS WEST, ALONG EAST LINE OF SAID SECTION 18, 864.18 FEET, THENCE SOUTH 89 DEGREES 35 MINUTES 57 SECONDS WEST, 129.33 FEET TO THE POINT OF BEGINNING THENCE SOUTH 00 DEGREES 26 MINUTES 12 SECONDS EAST, 324.62 FEET, THENCE SOUTH 35 DEGREES 17 MINUTES 30 SECONDS WEST, 15.30 FEET, THENCE SOUTH 89 DEGREES 33 MINUTES 48 SECONDS WEST, 314.98 FEET, THENCE NORTH 51 DEGREES 14 MINUTES 00 SECONDS WEST, 105.53 FEET, THENCE NORTH 29 DEGREES 58 MINUTES 44 SECONDS EAST, 69.67 FEET, THENCE NORTH 00 DEGREES 24 MINUTES 02 SECONDS WEST, 193.08 FEET THENCE NORTH 42 DEGREES 18 MINUTES 53 SECONDS EAST, 26.39 FEET THENCE NORTH 89 DEGREES 35 MINUTES 57 SECONDS EAST, 350.46 FEET TO THE POINT OF BEGINNING ALL IN COOK COUNTY, ILLINOIS

PARCEL HEREIN CONTAINS 125332.52 SQUARE FEET (2.873 ACRES) MORE OR LESS

ADDITIONAL PARKING PREMISES
LEASE PARCEL
AREA=125332.52 SQ FT = 2.877 ACRES



NOTE 1:
1) THE BASIS OF BEARINGS SHOWN HEREON ARE ILLINOIS STATE PLANE COORDINATE SYSTEM, 1201 EAST ZONE
2) THE IMPROVEMENTS SHOWN HEREON ARE FROM AIR PHOTOS, AND PROPOSED DESIGN DRAWINGS, THIS EXHIBIT MAY NOT CORRECTLY SHOW THE CURRENT STATE OF IMPROVEMENTS
3) AN ACTUAL FIELD SURVEY WAS NOT PERFORMED FOR THIS EXHIBIT



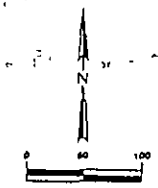
| | |
|--------------|---------|
| DATE | |
| PROJECT NO. | |
| DATE PLOTTED | 3/22/92 |

11/19/91 1:00 PM
 1. American Airlines Cargo Building, UPS-Additional Parking Premises, Chicago, IL

UPS-ROADWAY PREMISES LEASE EXHIBIT B-2

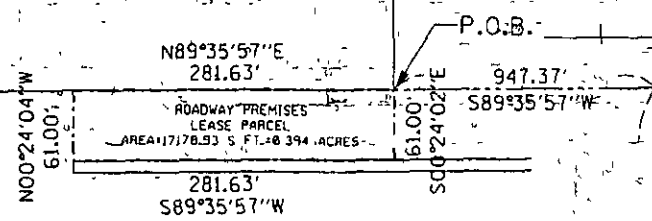
THAT PART OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER OF SECTION 18 THENCE NORTH 00 DEGREES 11 MINUTES 23 SECONDS WEST, ALONG EAST LINE OF SAID SECTION 18, 924.18 FEET THENCE SOUTH 89 DEGREES 35 MINUTES 57 SECONDS WEST 947.37 FEET TO THE POINT OF BEGINNING THENCE SOUTH 00 DEGREES 24 MINUTES 02 SECONDS EAST 61.00 FEET THENCE SOUTH 89 DEGREES 35 MINUTES 57 SECONDS WEST 281.63 FEET THENCE NORTH 00 DEGREES 24 MINUTES 02 SECONDS WEST 61.00 FEET THENCE NORTH 89 DEGREES 35 MINUTES 57 SECONDS EAST 281.63 FEET TO THE POINT OF BEGINNING ALL IN COOK COUNTY, ILLINOIS

PARCEL HEREIN CONTAINS 17178.93 SQUARE FEET (0.394 ACRES) MORE OR LESS



United Parcel Service
Building

American Airlines Cargo Building



KLM Cargo Building

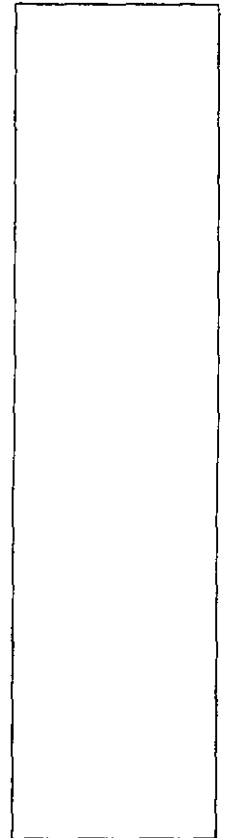
South Access Rd.

NOTE :

- 1) THE BASIS OF BEARINGS SHOWN HEREON ARE ILLINOIS STATE PLANE COORDINATE SYSTEM 1281 EAST ZONE
- 2) THE IMPROVEMENTS SHOWN HEREON ARE FROM AIR PHOTOS AND PROPOSED DESIGN DRAWINGS. THIS EXHIBIT MAY NOT CORRECTLY SHOW THE CURRENT STATE OF IMPROVEMENTS
- 3) AN ACTUAL FIELD SURVEY WAS NOT PERFORMED FOR THIS EXHIBIT

(SE Corner of the NE 1/4 of Section 18-40-12)

O'HARE INTERNATIONAL AIRPORT
CITY OF CHICAGO
GRADE WORK - LAYOUT PROGRAM



| | |
|---------|------------|
| DATE | 11/23/2011 |
| PROJECT | |
| DRAWING | |

DATE PLOTTED: 11/23/2011 10:58:41 AM

NOTE:
 1. THE ALIGNMENT OF THE PROPOSED EMERGENCY ACCESS ROAD ASSUMES A POSTED SPEED LIMIT OF 20 MPH.

UPS

UPS LEASE EXHIBIT B-3

AMERICAN AIRLINES
 CARGO BUILDING

EXISTING LEASE LIMIT (TYP)

AOA FENCING OFFSET

10'

PROPOSED AOA FENCE

32'

*NO PARKING/STAGING
 AT ANY TIME

CRASH GATE OR AOA ACCESS
 POINT MANNED 24/7

EMERGENCY ACCESS
 ROAD/CLEAR ZONE*

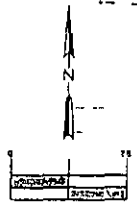
SOUTH ACCESS ROAD

35'

BUILDING OFFSET REQUIREMENT

KLM ROYAL DUTCH
 CARGO BUILDING

SOUTH ACCESS ROAD



O'HARE INTERNATIONAL AIRPORT
 CITY OF CHICAGO
© 2011 BPC Airport Partners



PROPOSED UPS LEASEHOLD MODIFICATIONS
 AND EMERGENCY ACCESS ROAD/CLEAR ZONE



CITY OF CHICAGO'S O'HARE
 INTERNATIONAL AIRPORT
 MODERNIZATION PROGRAM
 DATE: JULY 2011
 PROJECT NO.:
 DRAWING NO.:

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:

United Parcel Service, Inc.

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: 1400 N. Hurstbourne Parkway
Louisville, KY 40227

C. Telephone (502) 329-3913 Fax (502) 329-3995 E-mail khoffmann@ups.com

D. Name of contact person Kevin Hoffmann

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):

Adding employee parking to existing lease

G. Which City agency or department is requesting this EDS? Chicago Department of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A



SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party

- Person
- Publicly registered business corporation
- Privately held business corporation
- Sole proprietorship
- General partnership*
- Limited partnership*
- Trust
- Limited liability company*
- Limited liability partnership*
- Joint venture*
- Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3)?
 Yes No
- Other (please specify)

* Note B 1.b below.

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

Ohio

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>"See attached"</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 FDS on its own behalf.

| Name | Title |
|------------|-------|
| <u>N/A</u> | |
| | |
| | |
| | |

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

| Name | Business Address | Percentage Interest in the Disclosing Party |
|----------------------------------------------|------------------|---------------------------------------------|
| <u>United Parcel Service of America, Inc</u> | | <u>100% - Sole Shareholder</u> |
| <u>55 Glenlake Parkway</u> | | |
| <u>Atlanta, GA 30328</u> | | |

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) |
|-------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------|----------------------------------------------|
| | | | |
| | | | |
| | | | |

(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 arrears 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? N/A

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:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

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).

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D

1 In accordance with Section 2-156-110 of the Municipal Code, Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes No

NOTE. If you checked "Yes" to Item D.1 proceed to Items D.2, and D.3. If you checked "No" to Item D.1., proceed to Part E.

2 Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D

Does the Matter involve a City Property Sale?

Yes No

3 If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest.

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
| | | |
| | | |
| | | |

4 The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee

E CERTIFICATION REGARDING SLAVERY ERA BUSINESS

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).

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/sfllln.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

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

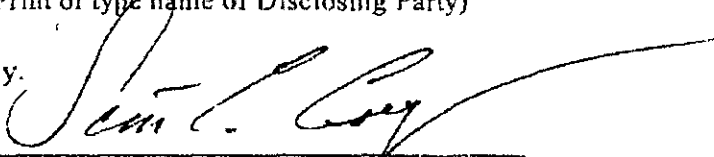
NOTE: If the Disclosing Party cannot certify as to any of the items in H.1, H.2. or H.3. above, an explanatory statement must be attached to this EDS.

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

United Parcel Service, Inc.
(Print or type name of Disclosing Party)

Date: August 12, 2011

By: 

(sign here)
Scott C. Casey
(Print or type name of person signing)

Assistant Secretary
(Print or type title of person signing)

Signed and sworn to before me on (date) August 12, 2011, by Scott Casey
at Jefferson County, Kentucky (state)

Beverly E. Fudeuch Notary Public

Commission expires: July 28, 2015

UNITED PARCEL SERVICE, INC. AND DOMESTIC SUBSIDIARY ENTITIES

Officers and Directors - May 2, 2011

| United Parcel Service, Inc. (OH) | |
|----------------------------------|--------------------------------------------|
| Name | Title(s) |
| Abney, David P. | Vice President |
| Allen, Mary Sue | Vice President |
| Altumari, P. Charles | Vice President |
| Ammons, Donald | Vice President |
| Amsbary, Jr., Joseph B. | Assistant Secretary |
| Andre, Patrice | Vice President |
| Barnes, David A. | Vice President |
| Barth, Gary T | Assistant Treasurer |
| Bellamy, Tandreia | Vice President |
| Bishop, Richard D | Assistant Secretary Assistant Treasurer |
| Brill, Steven D | Vice President |
| Brooks, Charlie | Vice President |
| Brooks, George W. | President, Central Region |
| Brothers, Jr., Norman M | Assistant Secretary Vice President |
| Brutto, Daniel J | Vice President |
| Camejo, Jr, Richard G. | President, Mid Atlantic District |
| Caruso, Kelly B. | Vice President |
| Casey, Scott C. | Assistant Secretary |
| Collins, James E. | Vice President |
| Covert, Charles G | Vice President |
| Dameron, Dow D. | President, South Atlantic District |
| Davis, D Scott | Director (Chairman) President |
| Deans, Stanley C. | President, Illinois District |

UNITED PARCEL SERVICE, INC. AND DOMESTIC SUBSIDIARY ENTITIES

Officers and Directors - May 2, 2011

| United Parcel Service, Inc. (OH) | |
|----------------------------------|------------------------------------|
| Name | Title(s) |
| DeLaney, Susan | Vice President |
| Donnell, Jack | Vice President |
| Drake, Raymond | Vice President |
| Dunn, Sheila | Vice President |
| Faby, Donald | Vice President |
| Feinberg, Adam J | Vice President |
| Firestone, Jeffrey D. | Vice President |
| Fosse, Brian | Vice President |
| Funari, Paul | Vice President |
| Gershennhorn, Alan | Vice President |
| Gray, Myron | Vice President |
| Hance, Michael R. | Vice President |
| Hannigan, Bob | Vice President |
| Harmon, Steven E. | Vice President |
| Harms, Kenneth C. | President, Mid-South District |
| Henry, Judith E | President, Central Plains District |
| Hill, Allen E. | Vice President |
| Hill, Floyd | Vice President |
| Holtzapple, Randy | Vice President |
| Houghton, Barbara | Vice President |
| Howard, Ray | Vice President |
| Huntt, Moises | Vice President |
| Johnson, Kimberly A. | Vice President |
| Kemper, Mark A. | President, New Jersey District |
| Koeper, Nancy D | President, Northwest District |

UNITED PARCEL SERVICE, INC. AND DOMESTIC SUBSIDIARY ENTITIES

Officers and Directors - May 2, 2011

| United Parcel Service, Inc. (OH) | |
|----------------------------------|----------------------------------------------------------------|
| Name | Title(s) |
| Kuehn, Kurt P. | Assistant Secretary Director Treasurer Vice President |
| Lancaster, Donald P | Assistant Secretary Assistant Treasurer |
| Latchford, Bob | Vice President |
| Lewis, Gary | Vice President |
| Lewis, Lawrence | Vice President |
| Loppatto, Greg | Vice President |
| Loughery, John | Vice President |
| MacLean, Linda M | Vice President |
| MacRae, Bruce | Vice President |
| Martin, Chris | President, North California District |
| Martin, Michael J | Vice President |
| Massie, Noel L | President, Central California District |
| Mattes, Gerald R. | President, West Region |
| McCloud, Mark | Assistant Treasurer |
| McClure, Teri P. | Assistant Treasurer Director Secretary Vice President |
| McCullough, Jr., Ross A. | Vice President |
| McDevitt, John J. | Vice President |
| Meeks, Dwayne C. | President, Great Lakes District |
| Mockus, Steve C. | Vice President |
| Moise, Jules J. | Vice President |
| Moore, Richard | President, Northeast District |

UNITED PARCEL SERVICE, INC. AND DOMESTIC SUBSIDIARY ENTITIES

Officers and Directors - May 2, 2011

| United Parcel Service, Inc. (OH) | |
|----------------------------------|---------------------------------------|
| Name | Title(s) |
| Nelson, Timothy | Vice President |
| Newton, Mike | Vice President |
| Nichols, Mitchell R | Vice President |
| Northen, Eddie | Vice President |
| Nwokeuku, Arthur N | Vice President |
| Owens, Christine | Vice President |
| Pedante, Eileen | Vice President |
| Pourfakhrai, Habib | President, Red River District |
| Rice, Glenn S | President, East Region |
| Rufolo, Richard M | Assistant Secretary Vice President |
| Ruiz, David | President, Florida District |
| Ryker, Karl R | Vice President |
| Schubert, Jill A | President, Northern Plains District |
| Scott, Jeff | Assistant Treasurer |
| Scott, Zachary B. | President, Ohio Valley District |
| Seward, William J | Vice President |
| Shaw, Daniel R. | Assistant Treasurer |
| Sklenicka, Steven | Assistant Treasurer |
| Smith, Bill | Vice President |
| Smith, Danny | Vice President |
| Smith, James B. | Vice President |
| Soumis, William G | President, North Atlantic District |
| Stashick, Randall S | Vice President |
| Strain, Charles | Vice President |

UNITED PARCEL SERVICE, INC. AND DOMESTIC SUBSIDIARY ENTITIES

Officers and Directors - May 2, 2011

| United Parcel Service, Inc. (OH) | |
|----------------------------------|--------------------------------------------|
| Name | Title(s) |
| Strang, Randolph G | Vice President |
| Susor, Mark | Vice President |
| Swift, Ryan C. | Assistant Secretary |
| Tebo, R. Russell | Vice President |
| Thompson, Martin E. | Vice President |
| Tong, Winifer P. | Assistant Secretary Assistant Treasurer |
| Topel, Bob | Vice President |
| Trujillo, Ralph R | Vice President |
| Turner, Michael K | Vice President |
| Turner, Mike | Vice President |
| Turner, Rosemary L | President, Chesapeake District |
| Wallace, J. Burt | Vice President |
| Ward, Susan | Assistant Treasurer |
| Watson, Angela, L | Vice President |
| Weber, Gerhard | Vice President |
| White, Burton H. | Vice President |
| Wicker, W. Scott | Vice President |
| Williams, Myron | Vice President |
| Willis, George A. | President, South California District |
| Wilson, Stefan B | President, Gulf South District |
| Wiltz, Craig A | President, Desert Mountain District |
| Yapp, Jeffrey | Vice President |
| Zipp, Frank J | Vice President |
| | Vice President |

**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:

United Parcel Service of America, Inc.

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: United Parcel Service, Inc.

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:

55 Glenlake Pkwy.

Atlanta, GA 30328

C. Telephone: (502)329-3913 Fax: (502)329-3995 Email: khoffmann@ups.com

D. Name of contact person: Kevin Hoffmann

E. Federal Employer Identification No. (if you have one): _____

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

Adding employee parking to existing lease

G. Which City agency or department is requesting this EDS? Chicago Department of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following.

Specification # N/A and Contract # N/A

SECTION II - DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF 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:

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 |
|----------------|-------|
| "See attached" | |
| | |
| | |
| | |

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 |
|------|-------|
| N/A | |
| | |
| | |
| | |

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 |
|----------------------------------|------------------|---------------------------------------------|
| United Parcel Service, Inc. (DE) | | 100% - Sole Shareholder |
| 55 Glenlake Parkway | | |
| Atlanta, GA 30328 | | |

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) |
|-------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------|----------------------------------------------|
| | | | |
| | | | |
| | | | |

(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 arrears 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? N/A

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 BDS 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:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

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).

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

| Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
| | | |
| | | |
| | | |

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

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):

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/sfllln.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:

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

United Parcel Service of America, Inc.
(Print or type name of Disclosing Party)

Date: _____

By. 

(sign here)

Norman M Brothers, Jr.
(Print or type name of person signing)

Assistant Secretary
(Print or type title of person signing)

Signed and sworn to before me on (date) August 23 11, by Norman M. Brothers Jr.
at Fulton County, Georgia (state).

Barbara J. Tisdale Notary Public.

Commission expires. 6-12-2014



DO NOT DUPLICATE OR DISTRIBUTE

UNITED PARCEL SERVICE, INC. AND DOMESTIC SUBSIDIARY ENTITIES

Officers and Directors - May 2, 2011

United Parcel Service of America, Inc.

| <u>Name</u> | <u>Title(s)</u> |
|--------------------------|----------------------------------------------|
| Amsbary, Jr , Joseph B | Assistant Secretary |
| Barth, Gary T | Assistant Treasurer |
| Bishop, Richard D. | Assistant Secretary Assistant Treasurer |
| Brothers, Jr , Norman M. | Assistant Secretary |
| Davis, D. Scott | Director (Chairman) President |
| Kuehn, Kurt P. | Assistant Secretary Director Treasurer |
| Lancaster, Donald P. | Assistant Secretary Assistant Treasurer |
| McClure, Teri P | Assistant Treasurer Director Secretary |
| Swift, Ryan C | Assistant Secretary |
| Tong, Winifer P | Assistant Secretary Assistant Treasurer |

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

United Parcel Service, Inc. (DE)

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 United Parcel Service, Inc., Ohio

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:

55 Glenlake Pkwy.
Atlanta, GA 30328

C Telephone: (502) 329-3913 Fax (502) 329-3995 Email. khoffmann@ups.com

D Name of contact person: Kevin Hoffmann

E Federal Employer Identification No (if you have one) _____

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

Adding employee parking to existing lease

G. Which City agency or department is requesting this EDS? Chicago Dept. of Aviation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following

Specification # N/A and Contract # N/A

SECTION II - DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

- | | |
|------------------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Person | <input type="checkbox"/> Limited liability company* |
| <input checked="" type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership* |
| <input type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture* |
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Not-for-profit corporation |
| <input type="checkbox"/> General partnership* | (Is the not-for-profit corporation also a 501(c)(3))? |
| <input type="checkbox"/> Limited partnership* | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust | <input type="checkbox"/> Other (please specify) |

* Note B.1.b below.

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

Delaware

3. For legal entities not organized in the State of Illinois, Has the organization registered to do business in the State of Illinois as a foreign entity?

Yes No N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1.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>"see attached"</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 |
|------|-------|
| N/A | |
| | |
| | |
| | |

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 |
|------|------------------|---------------------------------------------|
| N/A | | |
| | | |
| | | |
| | | |

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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) |
|-------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------|----------------------------------------------|
| | | | |
| | | | |
| | | | |

(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 arrears 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? N/A

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 5/33B-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:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

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):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes

No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name

Business Address

Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

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.

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):

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:

**SECTION VI -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION,
COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

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

B. The certifications, disclosures, and acknowledgments contained in this BDS 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 BDS 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

United Parcel Service, Inc.
(Print or type name of Disclosing Party)

Date: _____

By:



(sign here)

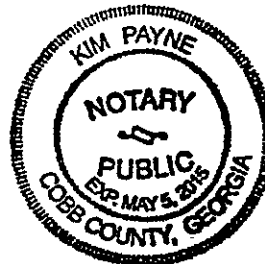
Norman M Brothers, Jr.
(Print or type name of person signing)

Assistant Secretary
(Print or type title of person signing)

Signed and sworn to before me on (date) September 13, 2011, by Kim Payne
at Cobb County, GA (state).

Kim Payne Notary Public.

Commission expires: May 5, 2015.



Board of Directors

| | | | | |
|---------------|-------------|-------------|---------------|--------------|
| D Scott Davis | Duane | Michael J. | Stuart E | Michael L. |
| Chairman and | Ackerman | Burns | Eizenstat | Eskew |
| Chief | Chairman | Former | Head of | Former |
| Executive | Emeritus, | Chairman, | International | Chairman and |
| Officer | BellSouth | Chief | Trade and | Chief |
| | Corporation | Executive | Finance | Executive |
| | | Officer and | Covington & | Officer |
| | | President, | Burling | |
| | | Dana | | |
| | | Corporation | | |

| | | | | |
|---------------|---------------|------------|--------------|------------|
| William R | Dr Candace | Ann M | Rudy | Clark T. |
| Johnson | Kendle | Livermore | Markham | Randt, Jr |
| Chairman, | Former | Executive | Retired CFO, | President, |
| President and | Chairman and | Vice | Unilever | Randt & Co |
| Chief | CEO, Kendle | President, | | LLC |
| Executive | International | Technology | | |
| Officer, H. J | Inc | Solutions | | |
| Heinz | | Group, | | |
| Company | | Hewlett- | | |
| | | Packard | | |
| | | Company | | |

| | |
|---------------|--------------|
| John W | Carol Tome |
| Thompson | Executive |
| Chairman of | Vice |
| the Board and | President - |
| Retired CEO, | Chief |
| Symantec | Financial |
| Corporation | Officer, The |
| | Home Depot |

Management Committee

| | | | | |
|-----------------|-------------|---------------|---------------|---------------|
| D Scott Davis | David Abney | David Barnes | Daniel J | Alan |
| Chairman and | Chief | Senior Vice | Brutto | Gershenthorn |
| Chief Executive | Operating | President and | President, | Chief Sales |
| Officer | Officer | Chief | UPS | and Marketing |
| | | Information | International | Officer |
| | | Officer | | |

| | | | | |
|----------------|--------------|------------|-----------------|----------------|
| Myron Gray | Allen E Hill | Kurt Kuehn | Ten Plummer | John McDevitt |
| President, U.S | Senior Vice | Chief | McClure | Senior Vice |
| Operations | President, | Financial | SVP of Legal, | President, |
| | Human | Officer | Compliance & | Global |
| | Resources | | Public Affairs, | Transportation |
| | | | General | Services & |
| | | | Counsel & | Labor |
| | | | Corporate | Relations |
| | | | Secretary | |

Christine M.
Owens
Senior Vice
President,
Communications
and Brand
Management
