

# City of Chicago

## Office of the City Clerk

## **Document Tracking Sheet**



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3/16/2016

Emanuel (Mayor)

Ordinance

Gate ground lease agreement with American Airlines, Inc. at Chicago O'Hare International Airport Committee on Aviation

Committee(s) Assignment:



OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL MAYOR

March 16, 2016

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

Ladies and Gentlemen:

At the request of the Commissioner of Aviation, I transmit herewith an ordinance authorizing the execution of a gate ground lease for American Airlines.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

CalEmanuel Mayor

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#### 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 is vested with the authority to make provisions for the needs of O'Hare to promote and develop O'Hare, and in the exercise of such power, to enter into any lease of City-owned properties at O'Hare upon such terms and conditions as the City Council of the City shall prescribe; and

WHEREAS, the City desires to authorize American Airlines, Inc. (the "Airline") to develop, alter and improve certain land at O'Hare (the "Premises") in order to provide for improvements and facilities which will service and enhance aviation and commerce in, to and around O'Hare; and

WHEREAS, the City has determined that aviation and commerce in, to and around O'Hare will be promoted and enhanced by developing the Premises and by leasing the Premises to the Airline for the uses and purposes and, subject to the terms, limitations and conditions set forth in a proposed Gate Ground Lease Agreement at Chicago O'Hare International Airport (the "Lease") with the Airline; and

WHEREAS, the Airline is engaged in the business of airline services and desires to lease the Premises described in the Lease for the purposes of developing, constructing and operating five airline gates (collectively, the "L Stinger Gates") and related facilities on the Premises and to obtain certain rights and privileges with respect thereto, all as more fully described in the Lease; and

WHEREAS, the City and the Airline desire to enter into the Lease, substantially in the form of the Lease 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 Commissioner of the Chicago Department of Aviation (the "Commissioner") is hereby authorized to execute, upon approval of the Corporation Counsel as to form and legality, the Lease that is substantially in the form of the draft Lease that is attached hereto as Exhibit A, with such revisions as the Commissioner shall determine are necessary or desirable and are not inconsistent with the purpose of this ordinance, such execution by the Commissioner to constitute conclusive evidence of this City Council's approval of any and all of such revisions.

SECTION 3. The Commissioner and such other City officials and employees 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**

## GATE GROUND LEASE AGREEMENT AT CHICAGO O'HARE INTERNATIONAL AIRPORT

BETWEEN

## **CITY OF CHICAGO**

## AND

## AMERICAN AIRLINES, INC.

DATED: \_\_\_\_\_, 2016

LOCATION:

L STINGER GATES CHICAGO O'HARE INTERNATIONAL AIRPORT CHICAGO, ILLINOIS

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Exhibit D	-	Amortization Schedule
Exhibit E	-	Form of Insurance Certificate
Exhibit F	-	[Intentionally omitted]
Exhibit G	-	Form of Term Commencement Confirmation

### GATE GROUND LEASE AGREEMENT AT CHICAGO O'HARE INTERNATIONAL AIRPORT

THIS GATE GROUND LEASE AGREEMENT (this "Lease") is dated as of \_\_\_\_\_\_, 2016 (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 AMERICAN AIRLINES, INC., a Delaware corporation (the "Airline").

#### **<u>RECITALS</u>**:

WHEREAS, the City owns and operates that certain airport located within the City and commonly known as Chicago O'Hare International Airport (the "Airport"), and further owns that certain property and the underlying land located in the City of Chicago, County of Cook, State of Illinois as more specifically described in <u>Exhibit B-1</u> attached hereto and made a part hereof, and as more specifically depicted in <u>Exhibit B-2</u> attached hereto and made a part hereof (the "Premises"); and

WHEREAS, the City is vested with the authority to make provisions for the needs of the Airport to promote and develop the Airport, and in the exercise of such power to enter into any lease of Cityowned properties in the Airport area, upon such terms and conditions as the corporate authorities of the City shall prescribe; and

WHEREAS, the City desires to authorize Airline to develop, alter, and improve the Premises in order to provide for improvements and facilities which will service and enhance aviation and commerce in, to, and around the Airport; and

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WHEREAS, the City has determined that aviation and commerce in, to, and around the Airport will be promoted and enhanced by developing the Premises, and by leasing the Premises, to Airline for the uses and purposes, and subject to the terms, limitations, and conditions, set forth in this Lease; and

WHEREAS, Airline is engaged in the business of airline services and desires to lease the Premises for purposes of developing, constructing and operating airline gates (collectively, the "L Stinger Gates") therein, and to obtain certain rights and privileges with respect thereto, all as hereinafter provided; and

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

WHEREAS, for the better promotion of aviation and commerce in, to, and around the Airport, the City and Airline desire to enter into this Lease.

**NOW, THEREFORE,** for and in consideration of the foregoing recitals, the faithful performance by the City and Airline of the terms, covenants, and conditions hereof, and of the payments herein provided to be made by Airline, the City and Airline hereby covenant and agree as follows:

#### ARTICLE 1 DEFINITIONS

The following terms, when used in this Lease, shall have the following meanings:

"Abandonment Termination Option"- shall have the meaning set forth in Section 15.19 hereof.

"Airline" - shall mean American Airlines, Inc., a Delaware corporation.

"Airline Access Date" - shall mean the date on which the City authorizes Airline to access the Premises for the purpose of commencing construction of the Airline Improvements (as hereinafter defined) within the Premises.

"Airline Improvements" - shall mean the work that Airline has agreed to self-fund and perform with respect to the design, construction, operating, and maintenance of in the L Stinger Gates.

"Airline Improvement Plans" - shall mean plans submitted by Airline to City establishing the work planned to be done with respect to the Airline Improvements.

"Airline Improvement Substantial Completion" - shall have the meaning set forth in Subsection 5.3(h) hereof.

"Airline Restoration" - shall have the meaning set forth in Subsection 7.4 hereof.

"Airline Work Items" - shall have the meaning set forth in Subsection 7.4 hereof.

"Airline's ROFR Exercise Notice" - shall have the meaning set forth in Section 15.21(a) hereof.

"Airport" - Chicago O'Hare International Airport, as the same may be designated from time to time during the Term hereof.

"Airport Gate Purposes - shall mean the use of the Premises for purposes of constructing and operating Airline gates in connection with Airline's business operations at the Airport.

"Airport Security Act" - means 49 U.S.C. 44901 et seq., and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"Airport Use Agreement" - means the Chicago O'Hare International Airport Amended and Restated Airport Use Agreement and Terminal Facilities Lease dated as of January 1, 1985 between the City and Airline, as the same may be amended or superseded from time to time, for a term currently scheduled to expire on May 11, 2018.

"Alterations" - shall have the meaning set forth in Section 5.8 hereof.

"Availability Date" - shall have the meaning set forth in Section 15.21(a) hereof.

"Base Rent" - Base Rent during the initial Term is projected to be the sum of Three Hundred sixty-nine Thousand (\$369,000) per year (calculated by multiplying \$2.25 by 164,000 square feet), payable in equal monthly installments of Thirty Thousand Seven Hundred and Fifty Dollars (\$30,750) each. The City reserves the right to re-measure the total area of the Premises at any time and from time to

time from and after the Effective Date hereof, and in the event that any such subsequent re-measurement requires a reasonable adjustment to the calculations set forth above, the City shall so notify Airline in writing, the Base Rent payable hereunder shall be modified to account for such difference, and the parties shall confirm in writing such revised calculations, and the modified Base Rent thereafter payable hereunder. The total area of the Premises and the Base Rent payable shall be confirmed in the Confirmation (as hereinafter defined) to be executed by the City and Airline as hereinafter provided.

"CERCLA" - shall have the meaning set forth in <u>Subsection 14.1(e)</u> hereof.

"City" - means the City of Chicago, its successors and assigns. In any case under this Lease that the City may or shall take any action, the Commissioner (as hereinafter defined) is authorized to take such action unless this Lease expressly provides for action by the corporate authorities of the City or by resolution or ordinance.

"City's Termination Notice" - shall have the meaning set forth in Subsection 15.19(a)(i).

"City Response Actions" - shall have the meaning set forth in <u>Subsection 14.6(c)</u> hereof.

"Claim" - shall have the meaning set forth in <u>Subsection 14.1(a)</u> hereof.

"Code" - the Municipal Code of the City of Chicago.

"Commencement Date" - shall mean the earlier of (1) Airline Improvement Substantial Completion; (2) the date on which Airline commences operation of the L Stinger Gates on the Premises; or (3) October 1, 2018.

"Commissioner" - for the purposes of this Lease, the Commissioner of the City of Chicago Department of Aviation (or any successor thereto in whole or in part as to his or her duties as the person in charge of the operation of the Airport on behalf of the City).

"Condemnation Proceedings" - shall have the meaning set forth in Section 12.1 hereof.

"Confirmation" - shall mean the Term Commencement Confirmation to be executed by and between the City and Airline pursuant to the terms and provisions of this Lease, including, without limitation, Section 3.1 hereof, which Confirmation shall be substantially in the form attached as <u>Exhibit G</u> hereto and made a part hereof.

"Contractor" - all contractors, subcontractors, and materialmen of any tier providing services, material, labor, operation, or maintenance on, about, or adjacent to the Premises, whether or not in privity with Airline.

"County" - County of Cook, State of Illinois.

"Debt" - shall have the meaning set forth in <u>Subsection 6.1(e)</u> hereof.

"Default Rate" - the rate of twelve percent (12%) per annum compounded daily, unless a lesser interest rate shall then be the maximum rate permissible by Law with respect thereto, in which event said lesser rate shall be the Default Rate.

"Disclosure Affidavit", "Contractor's Affidavit", or "Affidavit" - the affidavit required under <u>Article 6</u>, in the form provided by the City.

"Discount Rate" - the rate of interest equal to the average interest rate for United States treasury bills with a remaining term most closely approximating one-half (1/2) of the remaining scheduled Term of this Lease, determined as of the date for which such Discount Rate is to be first applied hereunder.

"DOJ" - shall mean the Department of Justice of the United States of America, or any successor agency thereto.

"EDS" - Economic Disclosure Statement, in the form and substance required by the City from time to time during the Term hereof.

"Elective Termination Option" - shall have the meaning set forth in Section 15.19(a) hereof.

"Environmental Assessment" - shall have the meaning set forth in <u>Subsection 14.1(c)</u> hereof.

"Environmental Damages" - shall have the meaning set forth in Subsection 14.1(d) hereof.

"Environmental Law" - shall have the meaning set forth in <u>Subsection 14.1(e)</u> hereof.

"Event of Default" - shall have the meaning set forth in Section 10.1 hereof.

"Expiration Date" - means the date immediately preceding the fifteenth (15th) anniversary of the Commencement Date.

"Extension Option" - shall have the meaning set forth in Section 15.20 hereof.

"Exterior Lights" - shall have the meaning set forth in <u>Subsection 5.3(1)</u> hereof.

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

"Final Environmental Report" - shall have the meaning set forth in <u>Subsection 14.4</u> hereof.

"First Extended Term" - shall have the meaning set forth in Section 15.20 hereof.

"First Extension Notice" - shall have the meaning set forth in Section 15.20 hereof.

"First Extension Option" - shall have the meaning set forth in Section 15.20 hereof.

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"First Extension Option Exercise Deadline" - shall have the meaning set forth in <u>Section 15.20</u> hereof.

"Force Majeure Delay" - delay, to the extent caused by events or conditions beyond the reasonable control of either party, caused by: material damage or destruction by fire or other casualty, strike (except if affecting only the Premises); delay in transportation of a required material not normally anticipatable; shortage of a required material not normally anticipatable; unusually adverse weather condition such as, without limitation, severe rain storm or storms, below-freezing temperatures of abnormal degree or quantity for an abnormal duration; unknown underground obstructions, and also including, but not limited to, tornadoes and cyclones, war, civil strife, governmental action or inaction, and other like or similar events or conditions beyond the reasonable control of either party. Force Majeure Delay shall not include any delay associated with or due to construction or other work at the Airport.

"Hazardous Materials" - shall have the meaning set forth in <u>Subsection 14.1(e)</u> hereof.

"Identified Parties" - shall have the meaning set forth in <u>Subsection 6.1(n)</u> hereof.

"Impositions" - shall mean all real property taxes, assessments, license fees, license taxes, business license fees, commercial rental taxes, levies, charges, improvement bonds, taxes, water and sewer rents and charges, utilities and communications taxes and charges, and similar or dissimilar impositions imposed by any authority having the direct power to tax, including any city, county, state, or federal government, or any school, agricultural, lighting, drainage, or other improvement or special assessment district thereof, or any other governmental charge, general and special, ordinary and extraordinary, foreseen and unforeseen, which may be assessed against any legal or equitable interest of the City in the Premises, or any portion or portions thereof, including, without limitation, (i) any assessment, tax, fee, levy or charge in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Airline and the City that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, it being the intention of Airline and the City that all such new and increased assessments, taxes, fees, levies, and charges be included within the definition of "Impositions" for the purposes of this Lease; (ii) any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises, or the rent payable by Airline hereunder, including, without limitation, any gross receipts tax or excise tax levied by state, city, or federal government, or any political subdivision thereof, with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use, or occupancy by Airline of the Premises, or any portion thereof, but not on the City's other operations; (iii) any assessment, tax, fee, levy or charge upon this transaction or any document to which Airline is a party, creating or transferring an interest or an estate in the Premises; (iv) any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Impositions.

"Indemnified Party" - shall have the meaning set forth in <u>Subsection 7.1(a)</u> hereof.

"L Stinger Gates" - shall mean the gates to be constructed on the Premises by Airline as part of the Airline Improvements.

"Laws" - shall have the meaning set forth in <u>Subsection 2.9(b)</u> hereof.

"Lease Year" - shall mean each full calendar year of the Lease.

"Mayor" - shall have the meaning set forth in <u>Subsection 6.1(m)</u> hereof.

"Notice of Subletting or Assignment" - shall have the meaning set forth in Section 13.2 hereof.

"On" - shall have the meaning set forth in <u>Subsection 14.1(g)</u> hereof.

"Other Contract" - shall have the meaning set forth in Subsection 6.1(m) hereof.

"Owners" - shall have the meaning set forth in <u>Subsection 6.1(m)</u> hereof.

"Permitted Use" - The operation, maintenance, repair, and management of the Premises for Airport Gate Purposes.

"Person" - means any corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual, or government or any governmental agency, or political subdivision thereof.

"Political fundraising committee" - shall have the meaning set forth in <u>Subsection 6.1(m</u>) hereof.

"Pre-Existing Condition" - shall have the meaning set forth in Subsection 14.1(h) hereof.

"Premises" - shall mean that certain portion of the Airport more specifically described in <u>Exhibit B-1</u> attached hereto and more specifically depicted in <u>Exhibit B-2</u> attached hereto.

"Project" - shall have the meaning set forth in *Exhibit C* attached hereto.

"Project Manager" - shall have the meaning set forth in *Exhibit C* attached hereto.

"Redevelopment Termination Option" - shall have the meaning set forth in Subsection 15.19(a) hereof.

"Right of First Refusal" - shall have the meaning set forth in Section 15:21 hereof.

"RCRA" - shall have the meaning set forth in <u>Subsection 14.1(e)</u> hereof.

"Related Party" - shall have the meaning set forth in <u>Section 13.2</u> hereof.

"Release" or "Released" - shall have the meaning set forth in Subsection 14.1(i) hereof.

"Rent" - Base Rent and any other amount Airline is obligated to pay under the terms of this Lease.

"Response" or "Respond" - shall have the meaning set forth in <u>Subsection 14.1(j)</u> hereof.

"ROFR Conditions" - shall have the meaning set forth in Section 15.21 hereof.

"ROFR Notice" - shall have the meaning set forth in Section 15.21 hereof.

"SARA" - shall have the meaning set forth in Subsection 14.1(e) hereof.

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"Second Extended Term" - shall have the meaning set forth in Section 15.20 hereof.

"Second Extension Notice" - shall have the meaning set forth in Section 15.20 hereof.

"Second Extension Option" - shall have the meaning set forth in Section 15.20 hereof.

"Second Extension Option Exercise Deadline" - shall have the meaning set forth in <u>Section</u> 15.20 hereof.

"Sub-owners" - shall have the meaning set forth in Subsection 6.1(n) hereof.

"**Term**" - The term of this Lease shall commence on the Commencement Date and shall expire on the Expiration Date, unless extended in accordance with <u>Section 15.20</u>.

"**Terminal**" - The existing terminal building(s) at the Airport that are open to the public for the purpose of flight ticket purchase, public lobby, waiting, baggage check-in, and those other services related to public air travel.

"Termination Reimbursement" - shall have the meaning set forth in Section 15.19 hereof.

"Third Party Tenant" - shall have the meaning set forth in <u>Section 15.21(a)</u> hereof.

"TSA" - shall mean the Transportation Security Administration of the United States of America, or any successor agency thereto.

"Waste Sections" - shall have the meaning set forth in Subsection 6.1(1) hereof.

"Work Liaison" - shall have the meaning set forth in *Exhibit C* attached hereto.

## ARTICLE 2 PREMISES

Section 2.1 - <u>Lease of Premises</u>. The City does hereby lease to Airline, and Airline does hereby lease from the City, the Premises.

## Section 2.2 - <u>Easements</u>.

(a) Airline's leasing of the Premises shall be subject to any and all easements, licenses, and other rights with respect to the Premises now or hereafter granted to or vested in any other governmental entities or agencies, including, without limitation, the FAA; provided, however, that the City warrants and represents that such easements, if any, shall not and currently do not preclude the use of the Premises for the Permitted Use.

(b) Airline acknowledges that there may currently exist, and that the City may grant in the future, easements and rights on, over, or under the Premises for the benefit of suppliers or owners of utilities that service the Airport or property adjoining the Premises, storm water drainage and like matters, and Airline hereby consents to any such utility easements whether now in existence or later granted; provided, however, that no such easements hereafter granted by the City shall materially and adversely interfere with Airline 's use of the Premises for the Permitted Use.

(c) If reasonably requested by Airline and the applicable utility company, the City shall grant to such utility company non-exclusive easements on and under the Premises for the location of facilities to provide natural gas, electricity, water or communications service required by Airline in order to provide required utility service to the Premises, at such locations on City property as shall be acceptable to the City; provided that the granting of such easements is permitted by applicable Law. Airline shall be responsible for the costs of such utilities.

Section 2.3 - <u>Use of Premises</u>. Subject to the terms and provisions contained in this Lease, and all Laws (as hereinafter defined) applicable in connection with the conduct of activities by Airline at or around the Airport, Airline is granted the following rights only and no other:

(a) The use of the Premises for the Permitted Use.

(b) Subject to the terms and provisions of this Lease, the right to plan, construct, operate, and maintain the Airline Improvements on the Premises.

(c) Airline shall not permit public motor vehicle parking on the Premises.

Section 2.4 - Ingress and Egress. Subject to the rules and regulations promulgated by the City from time to time, and the terms and provisions of this Lease, Airline, and its respective employees, agents, invitees, and licensees, shall have the right and privilege of ingress to and egress from the Premises at such locations as are acceptable to the City. The City may, at any time, temporarily or permanently, close or consent to or request the closing of, or otherwise restrict access to, any roadway or other right-of-way for such ingress and egress, and any other area at the Airport or in its environs currently or hereafter used for ingress and egress, provided that reasonable notice shall be given to Airline and a reasonably convenient and comparable means of access, ingress and egress shall exist or be provided in lieu thereof.

Section 2.5 - <u>Quiet Enjoyment</u>. The City agrees, unless otherwise provided by this Lease, that if Airline shall perform all obligations and make all payments as provided hereunder, Airline shall be entitled to and shall have the quiet possession and enjoyment of the Premises, subject to the provisions contained in this Lease.

Section 2.6 - <u>Present Condition of Premises</u>. Subject to the terms and provisions of this Lease, and except as expressly provided to the contrary in <u>Article 5 and Article 14</u> hereof, Airline understands and agrees that Airline, by the execution of this Lease, agrees to accept the Premises in its "AS IS" condition as existing as of the Effective Date hereof, and that, except as expressly provided to the contrary in <u>Article 5</u> hereof, the City has made no representations or warranties of any type whatsoever regarding the condition of the Premises or its suitability for the Permitted Use.

#### Section 2.7 - Operation of Premises Generally.

(a) Without limiting any other requirement set forth in this Lease, Airline shall conduct its operations on the Premises and within the Airport in a commercially reasonable manner in order to minimize the emanation of noise, vibration, dust, fumes, and odors, and so as not to interfere with the use and operation of the Airport, adjacent areas on or surrounding the Airport, or adjacent areas surrounding the Premises.

(b) The City and Airline acknowledge that the operation of the business of Airline on the Premises, as well as Airline's performance of its obligations under this Lease with respect thereto, will enhance the economic development of the City, and that the rights of Airline to use the Premises are subject to the rights of the City, as landlord, to monitor compliance with this Lease to ensure that the Premises are used and operated for the Permitted Use as required by this Lease.

Section 2.8 - <u>Availability of Employee for Entry</u>. Airline shall at all times during construction and thereafter during the Term have an agent, representative, employee or contractor authorized to make decisions for Airline available on the Premises or who may be contacted immediately by telephone or other communication to permit the City timely entry into the Premises or locked areas where required or permitted under this Lease.

#### Section 2.9 - Use of Premises in Compliance with Law.

(a) Airline shall not use or occupy the Premises, or permit the Premises to be used or occupied, or do or permit anything to be done in or on the Premises, in whole or in part, in a manner which would in any way violate any certificate of occupancy affecting the Premises, or make void or voidable any insurance then in force with respect thereto, or which may make it impossible to obtain fire or other insurance thereon required to be furnished by Airline under this Lease, or which will constitute a public or private nuisance, or which will disrupt the safe, efficient, and normal operations of the Airport.

(b) Airline shall not use or occupy the Premises, or permit the Premises to be used or occupied, in whole or in part, in a manner which may violate, and Airline shall at all times comply with, any and all present and future, ordinary and extraordinary, foreseen and unforeseen, laws, statutes, rules, regulations, codes, directives, ordinances, or requirements of any federal, state, or municipal governments or of any other governmental, public, or quasi-public authorities now existing or hereafter created (collectively, "Laws"), to the extent such governments or authorities have jurisdiction over the Premises, or the Airport, whether or not the City also is liable for compliance.

(c) Airline may, in good faith (and whenever necessary, in the name of, but without expense to, the City), contest the validity of any such Laws and, pending the determination of such contest, may postpone compliance therewith, except that Airline shall not so postpone compliance therewith as to subject the City to the risk of any fine or penalty, loss of any permit or license, adverse impact on the Airport or Airport operations, or prosecution for a crime, or to cause the Premises or any part thereof to be condemned or to be foreclosed upon.

Section 2.10 - <u>Commencement of Operations</u>. Airline shall take possession of the Premises promptly upon the full execution and delivery of this Lease by Airline and the City, and shall thereafter pursue the planning, construction, and completion of the Airline Improvements with all commercially reasonable diligence. Airline's use and occupancy of the Premises, and all of Airline's activities thereon, shall be and remain subject to all of the terms and provisions of this Lease, except that Airline shall not be obligated to commence paying Base Rent until the Commencement Date.

Section 2.11 - <u>Restrictions on Airline</u>. Except as may otherwise be expressly provided in this Lease, Airline may not, without the prior written consent of the City in each instance, which consent may be granted or withheld by the City in its sole and absolute discretion:

- (i) Place, construct, or maintain in, on, or about the Premises any advertisement media, including, without limitation, searchlights, flashing lights, loudspeakers, phonographs, televisions, radios, antennas, or other similar media or device;
- (ii) Solicit business or distribute handbills or other advertising or promotional materials in, on, or about the Premises, or other buildings and structures in the area of the Airport;
- (iii) Use or permit any portion of the Premises to be used as living or sleeping quarters or any purpose other than the Permitted Use;
- (iv) Sell, distribute, display, or offer for sale any items not associated with air transportation business, unless expressly permitted pursuant to an agreement with the Airport;

- (v) Do or permit to be done anything in connection with Airline's occupancy or advertising which, in the City's reasonable judgment, may reflect unfavorably on the City or the Airport, or may confuse or mislead the public as to any apparent partnership or similar relationship between the City and Airline. Airline shall not have or acquire any property right or interest in the name "Chicago O'Hare International Airport" or any variation thereof;
- (vi) Except as expressly provided to the contrary in this Lease, conduct any auction, fire, bankruptcy, distress, clearance, or going-out-of-business sale on the Premises or post any sign or advertisement regarding such activity in or about the Premises;
- (vii) Use or permit the Premises to be used in any manner or permit anything to be brought into or kept therein which would (a) violate the certificate of occupancy for the Premises, (b) cause structural injury to any part of the Premises, (c) impair or interfere with the proper operation and maintenance of the Airport, or (d) violate any of Airline's other obligations under this Lease or the Airport Use Agreement; or
- (viii) Permit a work of visual art, as defined in 17 U.S.C. § 107, to be installed in the Premises. In addition, any request by Airline to the City to grant its written consent to such installation shall be accompanied by a written waiver, in a form acceptable to the City, of the artist's rights under the Visual Artists Rights Act of 1990, Pub. L. 101-650.

## ARTICLE 3 TERM

Section 3.1 - <u>Term of Lease</u>. The term of this Lease shall be for the Term. This Lease shall become effective on the Effective Date and shall continue through the Expiration Date, unless sooner terminated or extended in accordance with the terms and provisions hereof. Promptly following the determination thereof, the City and Airline shall enter into the Confirmation in substantially the form attached as <u>Exhibit\_G</u> hereto.

Section 3.2 - Operation of Premises after Term. In the event of continued occupancy by Airline of all or a portion of the Premises after expiration or termination of this Lease with the City's consent, such occupancy shall constitute a month-to-month lease on the same terms and conditions as this Lease and the Rent payable by Airline for such continued occupancy shall be at the same rate of the Rent last payable, on a per diem basis, during the last Lease Year falling within the Term; provided, however, in the event that the City notifies Airline in writing at any time following such expiration or termination of this Lease that Airline is required to vacate and surrender the Premises to the City and Airline fails to do so within thirty (30) days following such notice, Airline shall thereupon commence paying Rent for the Premises at 150% of the annual rate of the aggregate Rent last payable, on a per diem basis, during the period immediately preceding such notice from the City, which rate shall increase to 200% of the annual rate of the aggregate Rent last payable, on a per diem basis, during the period immediately preceding such notice from the City if such failure continues for sixty (60) days following such notice. Except as expressly provided to the contrary hereunder, no occupancy by Airline after the expiration or other termination of this Lease shall be construed to extend the Term. In addition, in the event that the City notifies Airline in writing to vacate and surrender the Premises to the City as aforesaid and Airline fails to do so within thirty (30) days following such notice, Airline shall be liable for any and all damages,

consequential as well as direct, sustained by the City by reason of Airline's continued occupancy from and after the expiration of such 30-day period.

Section 3.3 - Return of the Premises. At the termination or expiration of this Lease, Airline shall vacate, surrender, and return the Premises (inclusive of the Airline Improvements constructed thereon) to the City in good condition and repair, subject to ordinary wear and tear and damages due to casualty - in the event the lease is terminated as a result of casualty damage as provided in Section 7.4(c), and Airline shall remove all personal property, trade fixtures, and equipment, if any, of Airline (but excluding the Airline Improvements, or any portion(s) thereof, unless otherwise directed by the City) from the Premises prior to the date of termination. Airline shall repair any and all damage to the Premises caused by Airline's removal of the personal property, trade fixtures, and equipment, if any. All such removal and repair required of Airline pursuant to this Section 3.3 shall be at Airline's sole cost and expense. If Airline fails to remove any items required to be removed by Airline hereunder or fails to repair any resulting damage prior to or within ten (10) days after termination of this Lease, then the City may (but shall not be obligated to) remove said items, and repair any resulting damage, and Airline shall pay the cost of any such removal and repair, together with interest thereon at the Default Rate from and after the date such costs were incurred until receipt of full payment therefor. Airline shall also furnish to the City (as to the existing Airline Improvements if not previously delivered to the City), and the City shall have the right to use (subject to all limitations set forth in any agreement between Airline and the architect or other design professional that prepared the plans and specification), a full set of the "as-built" plans and specifications for all Airline Improvements, and all final reports prepared by or for Airline on the environmental or physical condition of the Premises. Airline shall perform any removal required by the City in accordance with all Environmental Laws (as defined in Article 14 hereof) and otherwise in accordance with Article 14 hereof.

## ARTICLE 4 <u>RENT AND FEES</u>

Section 4.1 - <u>Place of Payment</u>. Airline shall pay Base Rent and all other amounts owed to the City under this Lease, all without set-off, deduction, credit, or discount, except as expressly otherwise provided in this Lease, in lawful money of the United States, to the City at the Department of Finance, 333 South State Street, Room 420, Chicago, Illinois 60604, or to such other place or person as the City may direct Airline by written notice. Payment of Rent is independent of every other covenant and obligation in this Lease. The City shall not be obligated to bill Airline for Base Rent. Payment by Airline to the City of compensation pursuant to this Lease shall not be considered to be a tax and shall be in addition to and exclusive of all license fees, rentals, taxes, or franchise fees which Airline may now or in the future be obligated to pay to the City, including, without limitation, under the Airport Use Agreement, any other lease, or any other agreement with the City.

Section 4.2 - <u>Base Rent</u>. Base Rent for the Premises shall be payable commencing on the Commencement Date and thereafter during the Term in accordance with the terms and provisions of <u>Exhibit A</u> attached hereto and made a part hereof. Base Rent shall be payable in monthly installments in advance equal to one twelfth (1/12th) of the applicable yearly amount, commencing on the Commencement Date and on the first day of each and every calendar month of the Term thereafter; provided, however, if the Commencement Date is not the first day of any calendar month, the monthly installment of Base Rent for such month shall be adjusted ratably (based on the number of days of such month within the Term). The Commencement Date shall be established and set forth in the Confirmation to be executed by the parties pursuant to <u>Subsection 3.1</u> hereof.

**Section 4.3 - Impositions.** Airline shall pay all Impositions, which may be assessed against any legal or equitable interest of Airline in or to, or otherwise relating to, this Lease, Airline's leasehold interest hereunder, the Airline Improvements, or against the trade fixtures, equipment, installations, improvements, inventory, and personal property of Airline from time to time on or before the same shall become delinquent, and the City shall have no liability or responsibility in connection therewith. Airline may in good faith and with due diligence contest the amount or validity of Impositions by appropriate legal proceedings, so long as such Impositions are paid when due and there is no risk of sale or forfeiture of the Premises or any improvements thereon or any interest therein to satisfy such Imposition. Airline shall furnish the City, within ten (10) days after the date when any Imposition would become delinquent, receipts of the appropriate taxing or other authority, or other evidence reasonably satisfactory to the City, evidencing the payment of the Impositions.

**Section 4.4** - <u>Utilities</u>. As part of the Airline Improvements to be constructed hereunder by or at the direction of Airline, Airline shall be solely responsible to cause utility lines and connections to be brought to the Premises. Airline shall be further responsible for connecting, at its sole cost and expense, the Premises to the available utility lines and connections and to obtain from the applicable utility service providers utilities for all required services; provided, however, Airline may not enter into any agreement with any other municipality or local government to provide utility services without notice to, and approval by, the City of the conditions for furnishing such utility service. Airline shall promptly pay for all utility services directly to the appropriate utility companies. The City does not warrant that any utility services will be free from interruptions caused by war, insurrection, civil commotion, riots, acts of God, Government action, repairs, renewals, improvements, alterations, strikes, lockouts, picketing, whether legal or illegal, accidents, inability to obtain fuel or supplies, or any other causes. Any such interruption of utility service shall never be deemed an eviction or disturbance of Airline's use and possession of the Premises or any part thereof, or render the City liable to Airline for damages, or relieve Airline from the performance of Airline's obligations under this Lease.

**Section 4.5 -** <u>Other Charges</u>. Airline covenants and agrees that the Rent specified in this <u>Article 4</u> shall be absolutely net to the City, except as expressly provided in this Lease, to the end that this Lease shall yield net to the City the entire Rent, and so that all costs, fees, interest, charges, maintenance and operating expenses, utility charges, water rates, electricity charges, gas charges, and Impositions (as hereinafter defined) levied, assessed upon, or related to the Premises, or any part thereof, or the use or occupancy thereof, or upon any buildings or improvements at any time situated thereon, or levied or assessed upon the leasehold interest created hereby, during the Term, shall be the sole responsibility of Airline and shall be due and payable by Airline from time to time as and when due. Notwithstanding the foregoing, it is specifically understood and agreed that there shall be no "double counting" of any obligations of Airline as described in this Section 4.5.

Section 4.6 - Interest on Overdue Amounts. Rent and any additional rent or other charges not paid when due shall bear interest at the Default Rate from the due date until paid; provided, however, that interest on overdue Impositions or insurance premiums or other additional rent not payable to the City shall not accrue unless and until the City has expended such amounts following Airline's failure to pay them.

## ARTICLE 5 CONSTRUCTION, MAINTENANCE AND REPAIR

**Section 5.1** - <u>City Obligations</u>. The City shall not be required to perform any work or construct any improvements, furnish any services or facilities, perform any maintenance, or make any repairs or alterations or environmental remediation or clean-up in or to the Premises throughout the Term hereof.

(a) WITHOUT LIMITATION OF THE FOREGOING, THE CITY MAKES NO WARRANTY OF ANY TYPE WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES OR THAT THE PREMISES SHALL BE SUITABLE FOR AIRLINE'S PURPOSES OR NEEDS OR FOR THE PERMITTED USE.

Section 5.2 - <u>Americans With Disabilities Act</u>. Airline shall cause the Airline Improvements to be constructed by or at the direction of Airline to comply with Title III of the provisions of the Americans with Disabilities Act of 1990, as hereafter amended from time to time, and regulations promulgated thereunder, whether or not such obligation is also imposed upon the owner of the Premises, and the other provisions of <u>Subsection 6.1(f)</u> of this Lease. Such modifications and improvements shall be made pursuant to the provisions of <u>Section 5.3</u> hereof.

Section 5.3 - <u>Construction of Airline Improvements</u>. Airline covenants and agrees and it is an express condition of this Lease that Airline shall, with due diligence and at Airline's sole cost and expense, commence, pursue, and complete the construction within the Premises of the Airline Improvements, all in accordance with this <u>Section 5.3</u>, <u>Section 5.8</u> hereof, and other terms and provisions of this Lease.

(a) Airline may not commence construction of the Airline Improvements in the Premises without the City's prior written approval of the Airline Improvement Plans relating thereto, which approval shall not be unreasonably withheld, conditioned, or delayed, and receipt of all necessary City, County, and other governmental approvals, licenses, and permits in connection therewith.

(b) Following approval of its Airline Improvement Plans hereunder, and subject to compliance with the other terms and provisions hereof, Airline shall notify the City in advance of the date on which Airline will commence construction of its Airline Improvements in the Premises and its proposed construction schedule with respect thereto.

(c) Prior to commencement of construction (and to the extent required), Airline will procure the approval of the final Airline Improvement Plans by any and all federal, state, municipal, and other governmental authorities, offices, and departments having jurisdiction of the Premises, including, without limitation, the FAA and DOJ. The City will cooperate (at no additional cost or expense to the City) with Airline in procuring such approval, provided that the City shall have given reasonably prior approval to such final Airline Improvement Plans.

(d) Neither the approval by the City of the Airline Improvement Plans, nor any other action taken by the City with respect thereto under the provisions of this Lease, shall constitute an opinion or representation by the City as to the sufficiency of said Airline Improvement Plans, or any other design standards as the City shall have in effect from time to time, compliance with any Laws, or any ability of Airline to receive any permits from any department or agency of the City or other jurisdictions, nor impose any present or future liability or responsibility upon the City. Approval shall not constitute approval of the City or its departments or agencies for any construction, extension, or renovation of any public utilities or public ways which may be necessary to service the Premises. In any case where more than one standard, code, regulation, or requirement applies to construction or the Airline Improvement Plans, the strictest shall control.

(e) Prior to the execution of any contracts for construction, engineering, or architectural services, Airline shall furnish to the City the names of the person or entity whom Airline desires to employ. Such architect, engineer, and contractor shall be licensed in the discipline being contracted for, experienced in design and construction of improvements comparable to those for which its

services are being required by Airline, and airport-related work, not be listed on any local, state, or federal non-responsible bidders' list, and not be debarred by the City or under any state or federal statute, regulation, or proceeding. Upon s written request by the City, Airline shall deliver to the City copies of its contracts with the design architect and engineer and the general contractor.

(f) Airline shall cause its contractor to secure a performance and payment bonds from an issuer of adequate financial strength.

(g) Airline and City shall agree on the total costs for such Airline Improvements itemizing all costs of design and construction following Airline Improvement Substantial Completion. Airline shall demonstrate with appropriate documentation to the reasonable satisfaction of the City each of the costs associated with the design and construction of any and all improvements. The parties shall than utilize this agreed upon amount for purposes of the amortization schedule in *Exhibit D* and for the buyout rights of the City contemplated in Section 15.

(h) Once commenced, Airline shall diligently prosecute construction, and Airline shall substantially complete the Airline Improvements within three years of the Effective Date of this Lease. For purposes of the Airline Improvements, "Airline Improvement Substantial Completion" shall mean the completion, in accordance with the Airline Improvement Plans and applicable Laws, of all Airline Improvements, other than minor punch list items, and shall include issuance of a certificate of substantial completion by the architect and engineer in a customary form reasonably required by the City. If any work does not comply with the provisions of this Lease, the City may, by notice to Airline require that Airline stop the work and take steps necessary to cause corrections to be made.

(i) Airline shall pay all costs of the construction incurred by Airline as and when due, and shall require all contractors to deliver sworn statements of persons furnishing materials and labor before any payment is made and waivers of lien for all work for which payment is made, in order to prevent attachment of mechanic's liens or other liens by reason of work, labor, services, or materials furnished with respect to the Premises.

(j) During the course of construction, Airline, at its sole cost and expense, will carry or cause to be carried, the insurance required to be carried pursuant to <u>Article 7</u>.

(k) During the course of the construction, the City, and its designated employees or agents on behalf of the Department of Aviation with responsibilities relating to the Premises, may enter upon and inspect the Premises for the purpose of verifying that the Airline Improvements are proceeding in accordance with the requirements of the Lease. With respect to any such entry and inspection on behalf of the Department of Aviation, persons requiring entry shall present proper identification to Airline. No right of review or inspection shall make the City responsible for work not completed in accordance with the Airport Improvement Plans or applicable Laws. Airline shall provide to the City upon request Airline Improvement Plans, shop drawings, and specifications relating to such construction.

(1) Without limiting any other requirements of the FAA, the City shall install such general obstruction or warning lights on the exterior of the Premises (collectively, the "Exterior Lights") as may then be required to conform to FAA standards or to conform to standards prescribed by the City and any other governmental agency having jurisdiction over the Premises as of the date of Airline Improvement Substantial Completion. Airline shall thereafter be responsible for maintaining, operating, repairing, and replacing any such Exterior Lights during the Term hereof, and shall be further responsible for installing any additional or replacement obstruction or warning lights on the exterior of the Premises as may thereafter be required to conform to FAA standards or to conform to standards prescribed by the

City and any other governmental agency having jurisdiction over the Premises which are first enacted or which first become effective after the date of Airline Improvement Substantial Completion.

(m) Any work performed at the direction of Airline, even though performed by Contractors, shall be the responsibility of Airline. During any construction by Airline, Airline shall be solely responsible for the support, maintenance, safety, and protection of the facilities of the City resulting from such construction activities, and for the safety and protection of all persons or employees and of all property therein. All work shall be performed in accordance with (and all Airline Improvements, when completed, shall comply with) the Airline Improvement Plans and other documents submitted to and approved by the City, with such design standards as the City shall have in effect from time to time, Airport and construction conditions in effect at the time of construction, and any other applicable federal, state, or local Laws, and with the project requirements set forth in <u>Article 6</u> and <u>Article 8</u> hereof. Airline shall also comply with the additional requirements set forth in <u>Exhibit C</u> attached hereto. In the case of any conflict between the terms of <u>Exhibit C</u> attached hereto and the terms of this <u>Section 5.3</u>, the stricter provisions shall control. Once work is completed, Airline shall furnish "as built" plans and specifications for the Airline Improvements to the City.

Section 5.4 - <u>Maintenance and Repair</u>. Airline shall, at all times during the Term hereof, at its sole cost and expense, operate and keep the interior and the exterior of the Premises in good condition and repair, in a safe, secure, clean and sanitary condition, and in full compliance with any and all applicable Laws and such rules, regulations and standards as the City shall maintain in effect from time to time.-

Section 5.5 - Lighting and Signs. Airline shall be solely responsible for the illumination of the Premises, which shall comply with all FAA and City requirements. Any interior signs installed by Airline on the Premises shall be limited to the purpose of identifying Airline (including, without limitation, the trade names, trademarks, logos, and brand names), and not for any third party advertising. The number, general type, size, design, and location of such signs, and any modifications or replacements thereof, shall be subject to the prior written approval of the City in each instance, which approval shall not be unreasonably withheld or delayed so long as such signage complies with applicable Laws and applicable Airport signage standards, and is otherwise consistent with the appearance and architectural integrity of the Premises. Signage shall be approved separately or as part of the Airline Improvement Plans. No roof signs are permitted. All signage shall comply with such design standards and Terminal development guidelines as the City shall have in effect from time to time.

Section 5.6 - Covenant Against Liens. No party, including Airline, shall have any right to file any liens against the Premises, the Airport, or any other property of the City, and Airline shall keep the Premises and the Airline Improvements free and clear of liens or claims of liens in any way arising out of the construction, improvement, or use thereof by Airline. Airline shall promptly take such steps as are necessary to release any claim for lien or attempted claim for lien from the Premises arising out of the construction, improvement, or use thereof by Airline. Airline shall not be deemed to be in default hereunder in the event any lien shall attach or shall exist which is prohibited by or which is contrary to or in violation of the provisions of this Lease, (a) if such lien shall arise as a matter of law, but the amount of said lien be not vet due and payable, or (b) if any such lien shall arise and Airline shall continuously, diligently, and in good faith contest the same, or the validity thereof, by appropriate legal proceedings which shall operate to prevent the foreclosure of any such lien, provided that Airline shall give advance written notification to the City that it is the intent of Airline to contest the validity or collection thereof and Airline shall also comply with the further following provisions of this Section 5.6. In the event Airline contests any such lien, Airline shall give a satisfactory indemnity to the City or deposit with the City a letter of credit, cash, or security reasonably satisfactory to the City in an amount equal to the amount of the claim or lien, plus such interest and penalties, court costs, or other charges as the City, any fee mortgagee, or title insurer may reasonably estimate to be payable by Airline at the conclusion of such litigation or is required to provide insurance over any potential lien. In the event such letter of credit, cash or securities shall be so deposited, the same shall be held until such claim or other imposition shall have been released and discharged and shall thereupon be returned to Airline, less any amounts expended by the City to procure such release or discharge, or any loss, cost, damage, reasonable attorneys' fees or expense incurred by the City by virtue of the contest of such lien.

Section 5.7 - <u>Ownership of Airline Improvements</u>. The Airline shall be deemed to own Airline Improvements to be hereafter constructed and shall have exclusive right to the L Stinger gates during the Term, including the extended terms. Upon expiration or termination of this Lease, the City shall be deemed to own all such Airline Improvements, and the same shall be deemed immediately transferred and conveyed to the City.

Section 5.8 - <u>Alterations</u>. Airline shall have the right from time to time after the completion of the initial Airline Improvements in accordance with the provisions of <u>Section 5.3</u> hereof, and at Airline's sole cost and expense, to make alterations and changes ("Alterations") in or to the Premises (except as hereinafter provided), provided Airline shall not then be in default in the performance of any of Airline's covenants or agreements in this Lease; and further provided that Substantial Alterations may be made only with the written consent of the City, which consent shall not be unreasonably withheld or delayed. "Substantial Alterations" means any Alterations (i) to infrastructure improvements, (ii) to the structure of the Premises or any portion thereof, iii) which would cost more than ten percent (10%) of the replacement cost of the Airline Improvements, or (iv) which would affect the exterior appearance or foot print of the Airline Improvements. The provisions of <u>Section 5.3</u> shall apply to and shall be complied with by Airline as a condition to the performance of any Substantial Alteration. Furthermore, all Alterations and Substantial Alterations shall be subject to the following:

(a) No Alteration or Substantial Alteration of any kind shall be made without the written consent of the City (which consent shall not be unreasonably withheld) which would (i) change the general design, use, or character of the Premises, (ii) reduce or impair, to any material extent, the value, rentability, or usefulness of the Premises, or constitute waste, or (iii) give to any owner, lessee, or occupant of any other property or to any other person or corporation any easement, right-of-way, or any other right over the Premises, or (iv) violate the terms of the Airport Use Agreement.

(b) Any Alteration or Substantial Alteration shall be made with reasonable dispatch and in a good and workmanlike manner and in compliance with all applicable permits and authorizations and building and zoning Laws and with all other Laws, and in accordance with the orders, rules, and regulations of the National Board of Fire Underwriters or any other body or bodies hereafter exercising similar functions. If any work does not comply with the provisions of this Lease, the City may, by notice to Airline, require that Airline stop the work and take steps necessary to cause corrections to be made.

(c) After completion of Airline Improvements and as part of any Substantial Alteration, Airline shall not demolish the Airline Improvements or any portion thereof without the prior written consent of the City.

## ARTICLE 6 COMPLIANCE WITH ALL LAWS

**Section 6.1 - <u>Applicable Laws</u>**. Without limiting the provisions of <u>Section 2.11</u> of this Lease. Airline shall, at its sole cost and expense, comply, and shall cause its contractors and their respective agents and employees to comply, with all applicable Laws, including, without limitation, the following:

(a) <u>Non-Discrimination</u>:

### (i) <u>General Requirements</u>:

(A) The Airline and any transferee agree to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

> This provision obligates the Airline or its transferee for the period during which Federal assistance is extended to the Airport through the "Airport Improvement Program".

> In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the Airline or any transferee for the longer of the following periods:

- (1) The period during which the property is used by the City or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or
- (2) The period during which the City or any transferee retains ownership or possession of the property.
- (B) It shall be an unlawful employment practice for Airline to fail to hire, to refuse to hire, to discharge, or to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap, or national origin; or to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee because of such individual's race, color, religion, sex, age, handicap, or national origin.

#### (ii) <u>Title VI Nondiscrimination Covenants</u>:

(A) The lessee for himself/herself/itself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

In the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that (a) no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (b) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (c) that the lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Nondiscrimination Acts and Authorities (as amended).

- (B) With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, City will have the right to terminate the Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease had never been made or issued.
- (C) INTENTIONALLY OMITTED.
- (D) <u>Title VI List of Pertinent Nondiscrimination Acts and Authorities</u>: Airline, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities ("Pertinent List of Nondiscrimination Authorities") (Source: Appendix E of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration), as amended; including but not limited to:
  - (1) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
  - 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation-Effectuation of Title VI of The Civil Rights Act of 1964);
  - (3) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
  - (4) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;

- (5) The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- (6) Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- (7) The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients and contractors, whether such programs or activities are Federally funded or not);
- (8) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 - 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- (9) The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- (10) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- (11) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, lessee must take reasonable steps to ensure that LEP persons have meaningful access to lessee's programs (70 Fed. Reg. at 74087 to 74100);
- (12) Title 1X of the Education Amendments of 1972, as amended, which prohibits discrimination because of sex

in education programs or activities (20 U.S.C. 1681 et seq).

- (iii) State Requirements: Airline shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seg. (1990), as amended; the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 et seq. (1990), as amended; and the Environmental, Barriers Act, 410 ILCS 25/1 et seq.
- (iv) City Requirements: Airline shall comply with the Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., of the Code. Further, Airline shall furnish such reports and information as requested by the Chicago Commission of Human Relations.

(b)Non-Collusion, Bribery of a Public Officer or Employee: Airline shall comply with the Code, Section 2-92-320, as follows:

- (i) No person or business entity shall be awarded a contract or sub-contract if that person or business entity:
  - (A) Has been convicted of bribery or attempting to bribe a public officer or employee of the City of Chicago, the State of Illinois, or any agency of the federal government or any state or local government in the United States, in that officer's or employee's official capacity; or
  - **(B)** Has been convicted 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) Has made an admission of guilt of such conduct described in (A) or (B) above which is a matter of record but has not been prosecuted for such conduct.
- (ii) For purposes of this Section, where an official, agent or employee of a business entity has committed any offense under this Section on behalf of such an entity and pursuant to the direction or authorization of a responsible official thereof, the business entity shall be chargeable with the conduct. One business entity shall be chargeable with the conduct of an affiliated agency.
- (iii) Ineligibility under this Section shall continue for three years following such conviction or admission. The period of ineligibility may be reduced, suspended, or waived by the Chief Procurement Officer under certain specific circumstances. Reference is made to Section 2-92-320 for a definition of "affiliated agency," and a detailed description of the conditions which would permit the Chief Procurement Officer to reduce, suspend, or waive the period of ineligibility.

Chapter 2-55 and 2-56 of the Code, Office of Inspector General and Legislative (c)

**Inspector General:** 

- (i) It shall be the duty of Airline to cooperate with the Inspector General or Legislative Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-55 or 2-56 of the Code. Airline understands and will abide by all provisions of Chapter 2-55 and 2-56 of the Code.
- (ii) All contracts shall inform contractors of this provision and require understanding and compliance herewith.

(d) <u>Governmental Ethics Ordinance</u>: Airline shall comply with Chapter 2-156 of the Code, "Governmental Ethics," including, but not limited to, Section 2-156-120 of this chapter pursuant to which no payment, gratuity or offer of employment shall be made in connection with any City contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

(e) <u>Anti-Scofflaw Ordinance (Section 2-92-380 of the Code)</u>: In accordance with Section 2-92-380 of the Code, and in addition to any other rights and remedies (including any of set-off) available to the City under this Lease or permitted at law or in equity, the City shall be entitled to set off a portion of any amounts due Airline by the City under this Lease in an amount equal to the amount of the fines and penalties for each outstanding parking violation complaint. For purposes of this Section, "outstanding parking violation complaint" means a parking ticket, notice of parking violation or parking violation complaint on which no payment has been made or appearance filed in the Circuit Court of Cook County within the time specified on the complaint. "**Debt**" means a specified sum of money owed to the City for which the period granted for payment has expired.

Notwithstanding the provisions of the immediately preceding paragraph, no such debt(s) or outstanding parking violation complaints shall be offset from or against any amounts due Airline by the City under this Lease if one or more of the following conditions are met:

- (i) Airline has entered into an agreement with the Department of Revenue, or other appropriate the City department, for the payment of all outstanding parking violation complaints and/or debts owed to the City and Airline is in compliance with the agreement; or
- (ii) Airline is contesting liability for or the amount of the debt in a pending administrative or judicial proceeding; or
- (iii) Airline has filed a petition in bankruptcy and the debts owed the City are dischargeable in bankruptcy.
- (f) <u>Americans with Disabilities Act</u>:
  - Any and all design specifications for the Airline Improvements and any Alterations shall comply with all Federal, State, and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P.L. 101-336 (1990), 42 U.S.C. 12101 et seq. and the Uniform Federal Accessibility Guidelines for Buildings and Facilities and, the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq. (1991), and the regulations promulgated thereto at 71 Ill. Admin. Code Ch. 1, Sec. 400.110. In the event that the above

cited standards are inconsistent, Airline shall comply with the standard providing greater accessibility.

(ii) All construction of Airline Improvements or Alterations undertaken by Airline in connection with this Lease shall be performed in compliance with all Federal, State, and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P.L. 101-336 (1990), 42 U.S.C. 12101 et seq. and the Uniform Federal Accessibility Standards for Americans with Disabilities; and the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq. (1991), and the regulations promulgated thereto at 71 111. Adm. Code Ch. 1, Sec. 400.110.

## (g) <u>MacBride Principles Ordinance</u>:

- (i) The City of Chicago through the passage of the MacBride Principles Ordinance seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provides a better working environment for all citizens in Northern Ireland.
- (ii) In accordance with Section 2-92-580 of the Code, if Airline conducts any business operations in Northern Ireland, it shall make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

(h) <u>Certification</u>: Airline shall complete the appropriate subsection for State Tax Delinquencies and acknowledge all other representations in the Affidavit in the form provided by the City, which certifies that Airline, its agents, employees, officers, and any contractors: (a) have not been engaged in or been convicted of bribery or attempted bribery of a public officer or employee of the City of Chicago, the State of Illinois, any agency of the federal government or any state or local government in the United States or engaged in or been convicted of bid-rigging or bid-rotation activities as defined in this Section as required by the Illinois Criminal code; (b) do not owe any debts to the State of Illinois, in accordance with Section 11-42.1-1 of the Illinois Municipal code; and (c) are not presently debarred or suspended as defined in subsection D, Certification Regarding Suspension and Disbarment of the Affidavit in Part One of the Contract Documents.

(i) <u>Disclosure of Ownership</u>: Pursuant to Chapter 2-92-010, 2-92-020, 2-92-030 and 65 ILCS 5/8-10-8,5, Airline and any person having equal to or greater than a seven and one-half percent (7.5%) direct or indirect ownership interest in Airline, and any person, business entity or agency contracting with the City shall be required to complete Part I, Disclosure of Ownership Interests and Part VIII, Certification of Elected Officials' Business Relationships, in the Affidavit.

(j) <u>Resident Preference</u>: Airline shall make good faith efforts and shall cause its contractors and subcontractors to utilize good faith efforts to meet the goals stated within the residential preference requirements of Section 2-92-330 of the Code; including City residency and project area residency, as it may be amended, in the performance of any construction of any public work.

(k) <u>Certification Regarding Various Federal Lists</u>: Airline hereby warrants and represents to the City that Airline does not appear on any of the following lists maintained by the Office

of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable Laws or Regulations: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List, and the Debarred List.

(1) <u>Environmental Warranties and Representations</u>: In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Airline warrants and represents that Airline, and to the best of its knowledge, its contractors, are not in violation of the following sections of the Code (collectively, the "Waste Sections"):

7-28-390	Dumping on public way;
7-28-440	Dumping on real estate without permit;
11-4-1410	Disposal in waters prohibited;
11-4-1420	Ballast tank, bilge tank or other discharge; 11-4-1450 Gas manufacturing residue;
11-4-1500	Treatment and disposal of solid or liquid waste; 11-4-1530 Compliance with rules and regulations required; 11-4-1550 Operational requirements; and
11-4-1560	Screening requirements.

During the Term of this Lease, Airline's violation of the Waste Sections, in the course of Airline's performance of its obligations under this Lease, constitutes a breach of and an event of default under this Lease, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Commissioner. Such breach and default entitles the City to all remedies under this Lease, at law or in equity. This section does not limit Airline's and its contractors' duty to comply with all applicable federal, state, county, and municipal Laws or Regulations in effect now or later, and whether or not they appear in this Lease. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Lease, and may further affect Airline 's eligibility for future agreements with the City.

(m) <u>Prohibition on Certain Contributions, Mayoral Executive Order 2011-4</u>: No Airline or any person or entity who directly or indirectly has an ownership or beneficial interest in Airline of more than 7.5% ("**Owners**"), spouses and domestic partners of such Owners, Lessee's Subtenants, , any person or entity who directly or indirectly has an ownership or beneficial interest in any Subtenant of more than 7.5% ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (Lessee and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee during (i) the bid or other solicitation process for this Lease, including while this Lease or Other Contract is executory, (ii) the term of this Lease or Other Contract between City and Lessee, and/or (iii) any period in which an extension of this Lease or Other Contract with the City is being sought or negotiated.

Lessee represents and warrants that from the date the City approached the Lessee or the date the Lessee approached the City, as applicable, regarding the formulation of this Lease, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Lessee shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

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

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Lease, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Lessee, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

For purposes of this provision:

- "Other Contract" means any agreement entered into between the Lessee and the City that (i) is formed under the authority of MCC Ch. 2-92; (ii) is for the purchase, sale or lease of real or personal property; or (iii) is for materials, supplies, equipment or services which are approved and/or authorized by the City Council.
- "Contribution" means a "political contribution" as defined in MCC Ch. 2-156, as amended.
- "Political fundraising committee" means a "political fundraising committee" as defined in MCC Ch. 2-156, as amended.

(n) <u>Firms Owned or Operated by Individuals with Disabilities</u>: The City encourages contractors, including Airline, to use subcontractors that are firms owned or operated by individuals with disabilities, as defined by Section 2-92-586 of the Code, where not otherwise prohibited by federal or state law.

(o) <u>EDS / Certification Regarding Suspension and Debarment</u>: Airline certifies by its acceptance of this Lease that Airline is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. Airline further agrees by executing this Lease that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts and subcontracts. If Airline or any lower tier participant is unable to certify to this statement, it must attach an explanation to this Lease. Airline must promptly update its EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate.

(p) <u>General Contractor License</u>: General contractors on Airline improvements and Alterations, including the Airline Improvements hereunder, must be licensed in accordance with Chapter 4-36 of the Code.

(q) <u>MBE/WBE Participation</u>: Airline shall make good faith efforts and shall cause its contractors and subcontractors to utilize good faith efforts to meet participation goals for MBEs and WBEs in the design and construction of the Airline Improvements, including the utilization of the City's Assist Agencies to aid in the identification of MBE and WBE certified businesses. No penalties shall be assessed for failure to meet MBE or WBE goals.

(r) <u>OFAC and Anti-Money Laundering Compliance Certifications</u>. Airline hereby represents, certifies, and warrants to the City that Airline is not: (1) in violation of any Anti-Terrorism Law; (2) conducting any business or engaging in any transaction or dealing with any Prohibited Person,

including the making or receiving or any contribution of funds, goods, or services to or for the benefit of any Prohibited Person; (3) dealing in, or otherwise engaging in, any transaction relating to any property or interest in property blocked pursuant to Executive Order No. 13224; (4) engaging in or conspiring to engage in any transaction that evades or avoids, had the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in any Anti-Terrorism Law; or (5) a Prohibited Person, nor are any of its partners, members, managers, officers, or directors a Prohibited Person. As used herein, "Anti-Terrorism Law" is defined as any law relating to terrorism, anti-terrorism, money laundering, or antimoney laundering activities, including, without limitation, Executive Order No. 13224 and Title 3 of the USA Patriot Act. As used herein, "Executive Order No. 13224" is defined as Executive Order No. 13224 on Terrorist Financing effective September 24, 2001, and relating to "Blocking Property and Prohibiting Transactions With Persons Who Commit, or Support Terrorism", as the same may be amended from time to time. "Prohibited Person" is defined as (i) a person or entity that is listed in the Annex to Executive Order No. 13224, (ii) a person or entity with whom Airline or the City is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, or (iii) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control (OFAC) at its official website, http://www.treas.gov/ofac/t11sdn.pdf, or at any replacement website or other official publication of such list from time to time. "USA Patriot Act" is defined as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56), as the same may be amended from time to time. Notwithstanding anything in this Lease to the contrary, Airline acknowledges and agrees that this Lease is a continuing transaction and that the foregoing representations, certifications, and warranties are ongoing and shall be and remain true and in full force and effect on the Effective Date hereof and throughout the Term of this Airline Lease (and any extension thereof), and that any breach thereof shall be a default under this Lease (not subject to any notice or cure period) giving rise to the City's remedies, including, but not limited to, forcible eviction and/or termination, and Airline hereby agrees, to the maximum extent permitted by applicable Law, to defend, indemnify, and hold harmless the City and the Indemnified Parties from and against any and all claims, damages, losses, risks, liabilities, fines, penalties, forfeitures, and expenses (including, without limitation, costs and attorneys' fees) arising from or related to any breach of the foregoing representations, certifications, and warranties.

Section 6.2 - <u>Conflicts of Interest</u>. Airline represents and warrants that, except as may otherwise be permitted under Section 2-156 of the Code, no member of the governing body of the City or other unit of government and no other officer, employee, or agent of the City or other unit of government who exercises any functions or responsibilities in connection with this Lease has any personal interests, direct or indirect, in this Lease or in Airline. Airline covenants that, except as may otherwise be permitted under Section 2-156 of the Code, (i) no member of the governing body of the City and no officer, employee, or agent of the City of Chicago or other unit of government exercising any functions or responsibilities in connection with this Lease shall acquire any personal, financial, or economic interest, direct or indirect, in this Lease, and (ii) no member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or employee of the City shall be admitted to any share or part of this Lease or any financial benefit to arise from it.

## ARTICLE 7 INDEMNITY, INSURANCE, DAMAGE OR DESTRUCTION

#### Section 7.1 - Indemnification.

(a) To the maximum extent permitted by applicable Laws, Airline shall defend, indemnify, and save the City and each and every official, agent, contractor, employee, officer, trustee, consultant, advisor, and representative of the City, and their respective representatives, successors, and

assigns (each, an "Indemnified Party", and, collectively, the "Indemnified Parties"), harmless from and against any and all liabilities, suits, judgments, settlements, obligations, fines, liens, damages, penalties, claims, costs, charges, and expenses, including, without limitation, engineers', architects', and attorneys' fees, court costs and disbursements, which may be imposed upon or incurred by or asserted against any Indemnified Party by reason of any of the following acts or omissions of Airline or Airline's officers, agents, employees, contractors, sublessees, guests, invitees, or licensees (collectively, the "Airline Parties") occurring during or after (but attributable to a period of time falling within) the Term:

- (i) any demolition, razing, or construction of the Airline Improvements, any Alterations or Substantial Alterations, or any other work or thing done in, on, or about the Premises or the Airport, or any portion of any of the foregoing, or easement areas, including any claim that such work constitutes "public works";
- (ii) any use, non-use, possession, occupation, alteration, repair, condition, operation, maintenance, or management of the Premises or any portion of any of the foregoing, or any easement areas, to the extent attributable to any act or omission of Airline or any of the Airline Parties;
- (iii) any act or failure to act on the part of Airline or any of the Airline Parties;
- (iv) any accident, injury (including death), or damage to any person or property occurring in, on, or about the Premises, except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties;
- (v) any failure to perform or comply with any of the covenants, agreements, terms, or conditions contained in this Lease on Airline's part to be performed or complied with (other than the payment of money);
- (vi) any lien or claim which may be alleged to have arisen against or on the Premises, or any lien or claim which may be alleged to have arisen out of this Lease and created or permitted to be created by Airline against any assets of the City, or any liability which may be asserted against the City with respect thereto; and
- (vii) any action or proceedings brought against the City or the Premises, or any part thereof, by virtue of any violation or alleged violation by Airline or the Premises of any Laws.

(b) Any Indemnified Party shall utilize the following procedure in enforcing any and all claims for indemnification against Airline.

(i) If any claim, action, or proceeding is made or brought against any Indemnified Party against which it is indemnified under Section 7.1(a) hereof, then, the Indemnified Party shall give notice hereunder to Airline promptly after obtaining written notice of any claim as to which recovery may be sought against it or him. If such indemnity shall arise from the claim of a third party, Airline may elect to assume the defense of any such claim and any litigation resulting from such claim at its own

expense; provided, however, that failure by Airline to notify the Indemnified Party of its election to defend any such claim or action by a third party within thirty (30) days after notice thereof shall have been received by Airline shall be deemed a waiver by Airline of its right to defend such claim or action. Any notice given pursuant to this Subsection 7.1(b) shall contain a detailed statement of the nature and basis of the claim, the identity of the claimant, the demand and relief sought or requested by the claimant, and shall be accompanied by copies of all materials in possession of the Indemnified Party which reasonably relate to such claim. Subject to the foregoing provisions of this Subsection 7.1(b), the right to indemnification hereunder shall not be affected by any failure of the Indemnified Party to give such notice or related materials or delay by them in giving such notice or related materials unless, and then only to the extent that, the rights and remedies of Airline shall have been prejudiced as a result of the failure to give, or delay in giving, such notice or related materials.

(ii) If Airline shall assume the defense of an Indemnified Party with respect to such claim or litigation, its obligations hereunder as to such claim or litigation shall include taking all steps necessary in the defense or settlement of such claim or litigation against the Indemnified Party and holding the Indemnified Party harmless from and against any and all damages caused by or arising out of any settlement approved as provided herein, or any judgment in connection with such claim or litigation. Any counsel employed by Airline to represent the City's interest shall be subject to the City's prior approval, not to be unreasonably withheld, conditioned, or delayed. Approval shall not be required with respect to counsel employed by insurance companies providing required coverages under this Lease. Notwithstanding any provision in this Section 7.1 to the contrary, in the event that Airline assumes the defense of such claim or litigation. Airline shall notify the Indemnified Party and the City of all such defenses it proposes to assert and the City may determine, in its sole discretion, whether any of the defenses may be deemed not to be in the best interests of the Airport. If the City determines that any such defense is not in the Airport's best interests: (a) Airline shall not pursue the objectionable defense but shall be obligated to pursue in accordance with this Section 7.1 the remaining defenses to the claim or litigation; and (b) if a judgment or settlement is entered against or made on behalf of the Indemnified Party, Airline shall not have any obligation to indemnify the Indemnified Party under this Section 7.1 for the amount of such judgment or settlement provided that such objectionable defense would have been successful. Airline shall not, in the defense of such claim or litigation, consent to the entry of any judgment (other than a judgment of dismissal on the merits without costs) except with the written consent of the Indemnified Party (which consent shall not be unreasonably withheld) or enter into any settlement (except with the written consent of the Indemnified Party, which shall not be unreasonably withheld) which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party, a release from all liability in respect of such claim or litigation. Anything in this Section 7.1 to the contrary notwithstanding, the Indemnified Party may,
with counsel of its choice and at its expense, participate in the defense of any such claim or litigation.

- (iii) If Airline shall not assume the defense of any such claim by a third party or litigation after receipt of notice from the Indemnified Party, the Indemnified Party may defend against such claim or litigation in such manner as it deems appropriate, and unless Airline shall, at its option, provide a bond to, or deposit with the Indemnified Party, a sum equivalent to the total amount demanded in such claim or litigation plus the Indemnified Party's reasonable estimate of the costs of defending the same, the Indemnified Party may settle such claim or litigation on such terms as it may reasonably deem appropriate, and Airline shall promptly reimburse the Indemnified Party for the amount of such settlement and for all damage incurred by it in connection with the defense against or settlement of such claim or litigation. If Airline shall provide such bond or deposit, the Indemnified Party shall not settle any such claim or litigation without the written consent of the Airline, which shall not be unreasonably withheld.
- (iv) Airline shall promptly reimburse the Indemnified Party for the amount of any judgment rendered and for all damages, costs, reasonable fees, and expenses incurred or suffered by it in connection with the defense against such claim or litigation, except to the extent such damages or judgment is determined to result from the grossly negligent acts or omissions of the Indemnified Party.

(c) Except as otherwise provided by applicable Law, the City shall not be liable to Airline or any of the Airline Parties for any injury to, or death of, any of them or of any other person or for any damage to any of Airline's or any Airline Party's property or loss of revenue, caused by any third person in the maintenance, construction, or operation of facilities at the Airport or the Premises, or caused by any third person using the Airport or the Premises, or caused by any third person navigating any aircraft on or over the Airport or the Premises, nor, to the extent permitted by Law, shall the City have any liability whatsoever to Airline or any Airline Parties for any damage, destruction, injury, loss, or claim of any kind arising out of the use by any of the aforementioned of any parking lot located either on or off the Airport. The City shall not be liable to Airline or any Airline Parties for damage to property of Airline or such Airline Parties, or any loss of revenues to Airline or such Airline Parties, resulting from the City's acts or omissions in the maintenance and operation of the Airport or the Premises or failure to operate the Airport or the Premises.

(d) The obligations of Airline under this <u>Section 7.1</u> shall survive the expiration or termination of this Lease, and shall not be affected in any way by the amount of or the absence in any case of covering insurance, or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises or any part thereof.

(e) The City's officials, commissioners, agents, representatives, contractors, and employees shall, to the extent permitted by Law, have absolutely no personal liability with respect to any provision of this Lease or any obligation or liability arising from this Lease or in connection with this Lease or the Premises in the event of a breach or default by the City of any of its obligations hereunder. Airline's officers, directors, employees, agents, representatives, and contractors shall, to the extent permitted by Law, have absolutely no personal liability with respect to any provision of this Lease or any

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obligation or liability arising from this Lease or in connection with this Lease or the Premises in the event of a breach or default by Airline of any of its obligations hereunder.

(f) Notwithstanding any other provision of this Lease to the contrary, to the maximum extent permitted by Law, Airline hereby waives any and every claim for recovery from the City and the Indemnified Parties for any and all loss or damage to the Premises or to the contents thereof, which loss or damage is covered by valid and collectable physical damage insurance policies maintained by Airline or any Airline Parties or which would have been recoverable if the insurance required hereunder had been maintained by Airline or any Airline Parties, to the extent that such loss or damage is recoverable, or would have been recoverable, as applicable, under said insurance policies. As this waiver will preclude the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), Airline agrees to give each insurance company which has issued, or in the future may issue, its policies of physical damage insurance, written notice of the terms of this waiver, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of insurance coverage by reason of said waiver. Airline shall require any member, subtenant or assignee to include similar waivers of subrogation in favor of the City.

## Section 7.2 - Insurance Coverage Required.

Airline and Contractors must procure and maintain, or cause to be procured and maintained, at all times during the Term, and on any earlier date that Airline or its Contractors is permitted to enter onto the Premises, and until each and every obligation of Airline contained in this Lease has been fully performed (including during any time period following expiration if Airline performs any work), the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Lease, whether performed by Airline or by its Contractors. For purposes of this Section 7.2 the term "Contractors" also includes subcontractors and subtenants.

- (a) <u>Insurance to be provided by Airline</u>.
  - (i) <u>Worker's Compensation and Employer's Liability</u>. Workers Compensation as prescribed by applicable law, covering all employees who are to provide a service under this Lease, and Employer's Liability coverage with limits of not less than Five Hundred Thousand Dollars (\$500,000) each accident, illness, or disease. Coverage must include other states endorsement, alternate employer, and voluntary compensation endorsement.
  - (ii) <u>Commercial General Liability (Primary and Umbrella)</u>. Commercial General Liability Insurance or equivalent with limits of not less than Three Hundred Million Dollars (\$300,000,000) per occurrence for bodily injury, personal injury and property damage liability. Coverage must include the following: all premises and operations, products/completed operations, independent contractors, separation of insured, defense and contractual liability (not to include Endorsement CG 21 39 or equivalent).

The City and its managers, members, officers, and agents and employees are to be named as an additional insured under the policy. The additional insured coverage must not have any limiting endorsements or language under the policy such as but not limited to, Airlines sole negligence or the City's vicarious liability. Airline's insurance shall be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City

- (iii) <u>Automobile Liability (Primary and Umbrella</u>). When any motor vehicles (owned, non-owned, and hired) are used in connection with work to be performed, Airline must provide Automobile Liability Insurance with limits of not less than Ten Million Dollars (\$10,000,000) per occurrence for bodily injury and property damage including a MCS90 endorsement, where applicable. The City is to be named as an additional insured on a primary, non-contributory basis.
- (iv) Pollution Legal Liability. Pollution Legal Liability Insurance (claimsmade) must be provided throughout the Lease term covering onsite and offsite bodily injury, property damage, clean-up costs and defense costs related to pollution conditions on, at, under or migrating from or through the Leased Site with limits of not less than Ten Million Dollars (\$10,000,000) per pollution condition/loss and Ten Million Dollars (\$10,000,000) aggregate dedicated to the demised premises. A multiyear policy period may be utilized up to five years per aggregate limit. Coverage to also include: restoration costs, transportation, contractual liability sufficient to address the indemnification clauses in this Lease and non-owned disposal site liability for waste or materials deposited off-site. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City is to be named as an additional insured.
- (v) <u>Property</u>. Airline must obtain All Risk Property Insurance at full replacement cost, covering all loss or damage to the Premises, and other property, including the Airline Improvements, any Alterations (including Substantial Alterations), improvements and betterments therein. Coverage must include but shall not be limited to the following: extra expense, water including leakage, overflow, sewer backup and seepage, collapse, boiler and machinery, sprinkler leakage, utility interruption, earthquake, debris removal, flood. The City is to be named in the policy as a loss payee, as its interests may appear. The Airline is responsible for all loss or damage to City property that results under this Lease. The Airline is responsible for all loss or damage to personal property (including, but not limited to, materials, equipment, tools, and supplies), owned, rented, or used by Airline.
- (vi) <u>Business Interruption</u>. The Airline must provide "use and occupancy" insurance or "business interruption" insurance covering the loss of revenues by reason of the total or partial suspension of or interruption in the operation of the demised premises caused by damage to or destruction of the demised premises in an amount not less than the amount required to meet the Rent for a period of not fewer than two (2) years. The City is to be named in the policy as an additional insured and a loss payee.
- (b) Insurance to be provided by Contractor for Improvements and Construction

Related to the Lease

- (i) <u>Workers Compensation and Employers Liability</u>. Workers Compensation, as prescribed by applicable law covering all employees who are to provide a service under this Lease and Employers Liability coverage with limits of not less than Five Hundred Thousand Dollars (\$500,000) each accident, illness, or disease.
- (ii) <u>Commercial General Liability (Primary and Umbrella</u>). Commercial General Liability Insurance or equivalent with limits of not less than Ten Million Dollars (<u>\$10,000,000</u>) per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: all premises and operations, products/completed operations (for full statue of repose following project completion), explosion, collapse, underground, separation of insureds, independent contractors, defense, and contractual liability (not to include Endorsement CG 21 39 or its equivalent).

The City and its managers, members, officers, and agents and employees are to be named as an additional insured under the policy for ongoing operation and after project completion. The additional insured coverage must not have any limiting endorsements or language under the policy such as but not limited to, Contractor's sole negligence or the City's vicarious liability. Contractor's liability insurance shall be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City

Subcontractors performing work for the Contractor must maintain limits of not less than Five Million Dollars (\$5,000,000) and otherwise containing the same terms herein.

(iii) All Risk Builder's Risk. The Contractor must provide All Risk Builder's Risk Insurance at replacement cost of the Airline Improvements and any Alterations (including Substantial Alterations). The policy must include but not be limited to (1) coverage for all materials, equipment, machinery, fixtures and furniture, labor, reasonable overhead and profit, form work and temporary structures to be "used up" in the construction (2) coverage for loss arising out of testing, including "hot" testing, resulting damage arising out of error or omission in design, plans or specifications, and resulting damage arising out of faculty or defective workmanship or materials, freezing, and collapse coverage, (3) permission for use or occupancy of the demised premises while insured by the policy, (4) off-premises utility interruption and changes in ordinances or laws and resulting increased cost of construction, (5) off-premises storage of materials, materials in-transit to the job-site and extra expense, (6) flood and earthquake coverage, and (7) debris removal. The City is to be included as a named insured.

(iv) Automobile Liability (Primary and Umbrella). When any motor vehicles (owned, non-owned, and hired) are used in connection with work to be performed, the Contractor must provide Automobile Liability insurance with limits of not less than Ten Million Dollars (\$10,000,000) per occurrence for bodily injury and property damage, including an MCS90 endorsement, when

applicable. The City is to be named as an additional insured on a primary, noncontributory basis.

Subcontractors performing work for the Contractor must maintain limits of not less than Five Million Dollars (\$5,000,000) and otherwise containing the same terms herein.

(v)Professional Liability. When any architects, engineers, construction/project managers, or other professional consultants perform work in connection with this Lease, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than Five Million Dollars (\$5,000,000). When policies are renewed or replaced, the policy retroactive date must coincide with or precede start of work under the Lease. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vi) <u>Contractors Pollution Liability</u>. Contractors Pollution Liability must be provided throughout the term of operations covering bodily injury, property damage, cleanup costs, defense costs and other losses related to pollution conditions that arise from the construction, installations and development of the Airline Improvements with limits of not less than Five Million Dollars (\$5,000,000). As applicable to the scope of the work, coverage must include transportation and non-owned disposal coverage. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City is to be named as an additional insured.

### Section 7.3 - Other Provisions.

The Airline and its Contractors will furnish the City, Department of Aviation, (a) Real Estate and Finance Division, O'Hare International Airport, 10510 West Zemke Road, Chicago, Illinois 60666, original certificates of insurances and all applicable endorsements evidencing the required coverage to be in force on the date of this Lease, and renewal certificates of insurance and endorsements, or such similar evidence, if coverages have an expiration or renewal date occurring during the Term. The Airline and its Contractors must submit evidence of insurance on an insurance certificate and submit all applicable endorsements upon execution of this Lease. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of the agreement. The failure of the City to obtain certificates or other insurance evidence from Airline and Contractors must not be deemed to be a waiver by the City of any requirements for the Airline and Contractors to obtain and maintain the specified coverages. Airline and its Contractors must advise all insurers of the provisions of this Lease relating to required insurance coverages. Non-conforming insurance must not relieve the Airline and its Contractors of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of this Lease, and the City retains the right to stop work or terminate this Lease as provided in Article 10 until proper evidence of insurance is provided.

(b) If Airline and its Contractors fail to obtain or maintain any of the insurance policies under this Lease or to pay any premium in whole or in part when due, the City may (without waiving or releasing any obligation or default by Airline and its Contractors hereunder), upon five (5) days' written notice to Airline and its Contractors and Airline's and its Contractor's failure to submit satisfactory evidence thereof to the City within such 5-day period, obtain and maintain such insurance

policies and take any other action which the City deems reasonable and any costs incurred by the City in obtaining and maintaining such policies, including reasonable attorneys' fees, court costs, and expenses, shall be reimbursed by Airline upon demand by the City.

(c) The Airline and its Contractors must provide for thirty (30) days' prior written notice to be given to the City in the event coverage is substantially changed or canceled.

(d) The Airline and its Contractors must require all subcontractors to provide the insurance required herein. All subcontractors are subject to the same insurance requirements of Airline and Contractors unless otherwise specified in the Lease. Airline and its Contractors must ensure that the City is an additional insured on insurance required from subcontractors.

(e) Any and all deductibles or self-insured retentions on referenced insurance coverages shall be borne by Airline.

(f) The Airline and its Contractors hereby grants to the City a waiver of any right of subrogation which any insurer of said Airline and its Contractors may acquire against the City by virtue of the payment of any loss under such insurance. Airline and its Contractors agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer(s).

(g) The coverages and limits furnished by Airline and its Contractors in no way limit Airline's or its Contractors' liabilities and responsibilities specified within this Lease or by applicable Law.

(h) Any insurance or self-insurance programs maintained by the City do not contribute with insurance provided by the Airline and its Contractors under this Lease.

(i) The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Lease or any limitation placed on the indemnity in this Lease given as a matter of law and obligations regarding indemnification and duty to defend are independent from, and not limited by, the required insurance herein.

(j) If Airline and its Contractors are a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

(k) If Airline and its Contractors or their respective subcontractors desire additional coverage, the party desiring the additional coverages is responsible for the acquisition and cost.

(1) If the Airline and its Contractors maintain higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Airline and its Contractors. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

(m) The City (through its Risk Management Department) maintains the right to modify, delete, alter, or change these requirements upon reasonable prior written notice to Airline to the extent that the City determines, in its reasonable discretion, that such modification, deletion, alteration, or change is reasonably necessary,

(n) The insurance required by this Lease, at the option of Airline, may be effected by blanket or umbrella policies issued to Airline, provided that the policies otherwise comply with the provisions of this Lease and allocate to this Lease the specified coverage, without possibility of reduction or coinsurance.

Section 7.4 - Damage and Destruction By Casualty. In the event of damage to, or destruction of, any Airline Improvements, Alterations, or other Airline work, or of the fixtures and equipment within the Premises (collectively, the "Airline Work Items"), by fire or other casualty, Airline shall promptly, at its expense, repair, restore, or rebuild such Airline Work Items to the condition existing prior to the happening of such fire or other casualty (any such activity being a "Airline Restoration"). Rent shall not be reduced or abated during the period of such Airline Restoration even if the Premises is not tenantable and the Airline Work Items are not usable, and Airline may not terminate this Lease, except as expressly provided in <u>Subsection 7.4(d)</u> below.

(a) Before Airline commences or causes such Airline Restoration, Airline shall, in connection therewith, comply with the requirements of <u>Article 5</u> hereof. The City may waive (but shall not be obligated to do so) any requirements of <u>Article 5</u> after taking into consideration the degree of damage or destruction and Airline Restoration.

(b) Provided that the insurer does not deny liability as to the insureds, and provided Airline is not then in default hereunder, all sums arising by reason of loss under the property insurance required in Subsection 7.2(a)(v) shall be available to Airline for the work. All proceeds shall be payable to the City which may disburse proceeds through an escrow on satisfaction of conditions established by the City (which may include retention requirements, waivers of lien and sworn statements, architect's certificates, and other evidence of satisfactory completion and payment for work) or payable directly to Airline or Contractors, at the City's option. Airline shall deposit with the City any excess cost of the Restoration over the amount held by the City as proceeds of the insurance within thirty (30) days from the date of the determination of the cost of the Airline Restoration; but in no event later than commencement of work. At all times the undisbursed balance remaining in the hands of the City shall be at least sufficient to pay for the cost of completion of the work free and clear of liens; any deficiency shall be paid to the City by Airline. Airline shall diligently pursue the repair or rebuilding of the Airline Work Items (but in any event within the time period in which Airline was required to complete the Airline Improvements under Section 5.3). If Airline does not repair or rebuild the Airline Work Items or proceed diligently to repair or restore the Airline Work Items and fails to cure or correct any such default after notice and expiration of applicable cure periods hereunder, or there are insurance proceeds remaining after repair or rebuilding, all insurance proceeds shall belong to and be payable to the City, and Airline shall assign all such proceeds to the City.

(c) In case of damage or destruction of all or any material portion of the Premises which occurs during the last twelve (12) months of the Term, either Airline or the City shall have the option of terminating this Lease as of the date of such damage or destruction by notice in writing given to the other party within thirty (30) days after the occurrence of such damage or destruction. In such event, the City shall be entitled to the proceeds of any Airline insurance covering any part of the Premises on account of such damage or destruction (excluding any insurance coverage for the Airline's fixtures and equipment Work Items), and Airline shall assign all such insurance proceeds to the City.

### ARTICLE 8 AIRPORT MATTERS

**Section 8.1 - Airport Conditions.** The following covenants, agreements, and restrictions shall apply to Airline's use and occupancy of the 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) Airline shall neither construct nor permit to stand on the Premises any building, structure, poles, trees, or other object, whether natural or otherwise, exceeding any existing or planned FAR Part 77 surfaces of the Airport, or which would otherwise materially or adversely interfere with the use and operation of the Airport.

(b) Airline shall file a notice consistent with the requirements of FAR Part 77 (FAA Form 7460-1) prior to constructing any facility, structure, or item on the Premises.

(c) City reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for passage of aircraft in the airspace above the surface of the Premises. This 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.

(d) Airline's use of the Premises shall be compatible with noise levels associated with the operation of the Airport, and the City reserves such interest or right as may be necessary to ensure that the Premises will be used only for such purposes.

(e) Airline shall not use or 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.

**Section 8.2** - <u>Other Legal Requirements</u>. Airline shall comply, and shall cause its contractors to comply, with all applicable federal, state, and local Laws, without limitation, those promulgated by the FAA, which shall include, but not be limited to, the following:

(a) Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to conduct any business, and the City reserves the right to grant to others the privileges and right of conducting any or all activities at the Airport.

(b) This Lease involves the use of or access to space on, over or under real property acquired or improved in connection with the Airport, and therefore involves activity which serves the public. Airline, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (i) no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (ii) 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 use of said facilities; (ii) 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 (iii) that Airline shall use the Premises in compliance with all other requirements imposed by or pursuant to regulations of the U.S. Department of Transportation.

(c) If, and only to the extent that, Airline is then furnishing services in the United States, Airline agrees to furnish such services in compliance with Federal Law and on a fair and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable, and not unjustly

discriminatory prices for each unit of service; provided, that Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions.

Section 8.3 - <u>Airport Agreements</u>. Airline's use and occupancy of the Premises shall be and remain subject to (a) the provisions of any existing or future agreements between the City and the United States government, FAA, or other governmental authority relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal or other governmental funds, including, without limitation, grant agreements, (b) relevant provisions of the Airport Use Agreement (except as it relates to the Airline's ability to utilize the land and gates as provided herein), and (c) relevant provisions of any use agreement heretofore or hereafter executed by the City with airlines operating at the Airport (except as it relates to the Airline's ability to utilize the land and gates as provided herein), and any ordinance or indenture, or both, authorizing bond anticipation notes adopted by the City Council of the City authorizing the issuance of notes, bonds, or other obligations for the Airport and securing such obligations by a pledge of revenues or net revenues of the Airport and any ordinance or indenture supplemental thereto. Upon request, the City shall provide Airline with copies of any such ordinances or indentures which so impact Airline or this Lease. Airline further agrees that it shall not cause the City to violate any assurances made by the City to the federal government in connection with the granting of such federal funds.

**Section 8.4 -** <u>Airport Security Act</u>. This Lease is expressly subject to the Airport Security Act, the provisions of which are hereby incorporated by reference. In the event that Airline, any of the Airline Parties, or any of their respective employees, agents, contractors, subcontractors, suppliers of materials, or providers of services, in the performance of this Lease, has: (i) unescorted access to secured areas located on or at the Airport; or (ii) capability to allow others to have unescorted access to such secured areas, Airline shall be subject to, and further shall conduct with respect to the Airline Parties and any of their respective employees, agents, contractors, suppliers of materials, or providers of services and the respective employees of each, such employment investigations, including criminal history record checks, as the City, the TSA, or the FAA, or any successor entities thereto, may deem necessary. Further, in the event of any threat to civil aviation, as defined in the Airport Security Act, Airline shall promptly report any information in accordance with those regulations promulgated by the Secretary of the United States Department of Transportation and by the City.

Section 8.5 - <u>Regulating the Airport; Airport Operation</u>. The City reserves the right to regulate, police, and further develop, improve, reconstruct, modify, or otherwise alter the Airport in the City's sole discretion. The City reserves the right, but shall not be obligated to Airline, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport. The City shall not have any obligation to continue to operate the Airport or any part as an airport for passenger or freight air transportation or at any particular level of operation and may at any time limit or discontinue use of the Airport or any means of access to or within the Airport in whole or part. To the extent the City's exercise of such rights materially impact Airline's ability to use the Premises for the Permitted Use, Airline may terminate this lease and the City will be required to reimburse Airline for the unamortized costs provided in Section 15.19.

**Section 8.6** - <u>Rules and Regulations</u>. Airline shall observe and obey all rules and regulations governing the conduct and operation of the Airport promulgated from time to time by City, county, state, or federal authorities and, in particular, Airline agrees at all times to comply with any master security plan and procedures for the Airport as may be established by City from time to time. In emergency cases, City shall deliver to Airline such emergency rules and regulations as promptly as practical. Upon request, City shall provide Airline with copies of City's current Airport rules and regulations applicable to Airline. Except in cases of emergency, subsequent rules and regulations promulgated by City shall be applicable to Airline fifteen (15) days after notice of the adoption thereof.

Section 8.7 - <u>Annexation</u>. Airline may not request, petition for, or enter into any agreement to annex the Premises to any municipality other than the City of Chicago.

## ARTICLE 9 [INTENTIONALLY OMITTED]

## ARTICLE 10 DEFAULT AND TERMINATION

Section 10.1 - <u>Event of Default</u>. The occurrence of any of the following shall constitute an "Event of Default" hereunder:

(a) The failure by Airline to pay any Rent or other sums payable hereunder, including, without limitation, any Impositions, as required under this Lease when due, and the failure to cure same within ten (10) days after the giving of written notice thereof to Airline;

(b) The failure by Airline on or after the Effective Date of this Lease to perform any representation, warranty, covenant, agreement, or final court order applicable to the Premises required to be performed by Airline under this Lease (other than as covered or described elsewhere in this <u>Section 10.1</u>) and the failure of Airline to remedy such default within a period of thirty (30) days after written notice to Airline, or such additional time as may be reasonably necessary to remedy such default so long as Airline is at all times diligently and expeditiously proceeding to cure such default and in fact cures such default within a reasonable time, but in any event, such additional time shall not extend more than ninety (90) days after the initial written notice to Airline; provided, however, that such additional time beyond thirty (30) days shall not apply to a default that creates an imminent danger to persons or property or that materially or adversely affects the City's interest in the Premises or the Airport, or if the failure or default by Airline is one for which the City (or any official, employee or other agent) may be subject to fine or imprisonment.

(c) If Airline shall suffer or permit any lien or encumbrance to attach to the Premises or the leasehold interest of Airline and Airline shall not discharge said lien or encumbrance within thirty (30) days following written notice thereof, or within ten (10) days prior to any sale or disposition or forfeiture pursuant to such execution, whichever date shall first occur, subject to the provisions of <u>Section 5.6</u> hereof;

(d) If Airline shall fail to carry all required insurance under this Lease and such failure continues for (i) thirty (30) days after written notice by the City to Airline, so long as the City receives at least thirty (30) days' written notice from the insurer of any change, cancellation or non-renewal thereof as provided in <u>Subsection 7.3(c)</u> hereof, or (ii) ten (10) days after written notice by the City to Airline, in the event that the City receives less than thirty (30) days' written notice from the insurer of any change, cancellation or non-renewal thereof;

(e) Any material misrepresentation (including by omission) made by Airline in this Lease or by Airline or any Person having more than a seven and one-half percent (7.5%) direct or indirect ownership interest in Airline in any affidavit, certification, disclosure, or representation made by Airline or any such Person relied upon by the City in execution of this Lease or in approving any request by Airline submitted to the City in accordance with this Lease;

(f) Failure to comply with an order of a court of competent jurisdiction or proper order of a governmental agency relating to this Lease within the required time period.

(g) The default of Airline under any lease agreement, indemnity agreement, or other agreement Airline may presently have or may enter into with the City during the Term of this Lease which involves criminal, fraudulent, or deceitful acts, and failure to cure said default within any applicable cure period (if any cure period is available). Airline agrees that in case of an Event of Default under this Lease for similar causes, the City also may declare a default under any such other agreements;

(h) Any material permit of Airline allowing it to do business in the City or the County has been revoked and is not reinstated within ten (10) days following such revocation;

(i) The filing by Airline of a voluntary petition in bankruptcy occurring on or after the date of this Lease, or if after the date hereof any involuntary petition in bankruptcy shall be filed against Airline under any federal or state bankruptcy or insolvency act and shall not have been dismissed within sixty (60) days from the filing thereof;

(j) On or after the date of this Lease, the admission, in writing, by Airline of its inability to meet its debts generally as they mature;

(k) 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 act on or after the date of this Lease when possession is not restored to Airline within sixty (60) days after such taking;

(1) The appointment of a receiver on or after the date of this Lease of all or substantially all of Airline's assets and Airline's failure to vacate such appointment within sixty (60) days thereafter; or

(m) The assignment by Airline on or after the date of this Lease of all or substantially all its assets for the benefit of its creditors.

Section 10.2 - <u>Remedies</u>. If the City so elects, with or without notice or demand, if an Event of Default occurs, the City may exercise any one or more of the following described remedies, in addition to all other rights and remedies provided elsewhere herein or at law or in equity:

The City may terminate this Lease and the Term created hereby, in which event (a) the City may forthwith repossess the Premises and be entitled to recover forthwith as damages: (i) all of the Rent accrued and unpaid for the period up to and including such termination date; (ii) any other sums for which Airline is liable or in respect of which Airline has agreed to indemnify the City under any provisions of this Lease which may be then due and owing; (iii) an amount equal to twelve (12) months of the total Rent then payable hereunder by Airline at the time of such termination (it being acknowledged and agreed by Airline and the City that, in the event of a termination of this Lease following an Airline default hereunder, the City will suffer damages in an amount which, due to the special and unique nature of the transaction contemplated by this Lease and the special and unique nature of the negotiations which preceded this Lease, will be impractical or extremely difficult to determine, and such amount represents a reasonable estimate of the damages which the City will sustain in the event of a termination of this Lease following an Airline default hereunder), provided, however, if the City enters into an agreement for the Premises with a new Airline (a "New Lease"), the amount payable under this Clause (iii) shall in no event exceed the amount of Rent that would otherwise be due and payable by Airline for the period commencing on the date of termination of this Lease and continuing through and including the date on which rent commences under such New Lease; and (iv) any damages in addition thereto, including reasonable attorneys' fees and court costs, which the City sustains as a result of the breach of any of the covenants of this Lease other than for the payment of Rent. The parties agree that for curable events of default such as 10.1(a), (d),(e) or (h) they will work together to remedy and cure such events of default in order to avoid a termination, even if such timeframes exceed the applicable cure periods provided herein. If the Airline indicates or notifies the City it has no intention on curing such defaults, then the City may proceed with the remedies provided hereunder, including termination.

(b) The City may terminate Airline's right of possession and may repossess the Premises by taking peaceful possession or otherwise as provided in this <u>Section 10.2</u> without terminating this Lease or releasing Airline, in whole or in part, from Airline's obligation to pay Rent hereunder for the full Term. Upon and after entry into possession without termination of this Lease, the City may relet the Premises or any part thereof for the account of Airline, for such rent, for such time, and upon such terms as shall be satisfactory to the City, and the City shall not be required to accept any airline offered by Airline nor to observe any instructions given by Airline about such reletting. For the purpose of such reletting, the City is authorized to make any reasonably necessary repairs, alterations or additions in or to the Premises. If the Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the costs and expenses of such repairs, changes, alterations, and additions and the other expenses of such reletting and of the collection of the rent accruing therefrom to equal or exceed the Rent provided for in this Lease for the balance of its Term, Airline shall satisfy and pay such deficiency upon demand therefor;

- (c) The right to specific performance, an injunction, or other appropriate remedy;
- (d) The right to money damages, including special and consequential damages;
- (e) The right to deem Airline non-responsible in future procurements by the City;

(f) In case of a default described in <u>Subsection 10.1(b)</u> relating to Airline's obligations under <u>Article 5</u> (including, without limitation, with respect to the Airline Improvements under <u>Section 5.3</u> or any Alterations under <u>Section 5.8</u>), the right to take over construction of work, at Airline's cost. Without limiting any other rights of the City, in the event the City takes over the work, the City shall be entitled to exercise all rights under the collateral assignments and other security granted to or available to City under this Lease, and sureties thereunder shall remain liable to the City upon such other security, and the proceeds thereof shall become the property of the City;

(g) The right to draw under the Security Deposit or the Letter of Credit, as the case may be, and to use the proceeds thereof to pay or reimburse the City for performance of Airline's obligations or compensate the City for any damages owed to the City by Airline. The City agrees that, with respect to any Event of Default hereunder which can be cured to completion by the payment of money, the City shall, before exercising any of its other rights and remedies under this Section 10.2, but without prejudice to any such other rights and remedies, and without limiting Airline's obligation to replenish the same, first draw upon or attempt to draw upon the Security Deposit or the Letter of Credit, as the case may be, and apply the proceeds of such draw towards the cure of such monetary Event of Default; and

(h) The right (but not the obligation) to cure any Event of Default hereunder, and if the City so elects, any and all costs and expenses incurred by the City in curing such default shall be deemed additional Rent hereunder, and shall be paid by Airline to the City within thirty (30) days following the City's invoice therefor, and if not paid within such 30-day period, shall bear interest at the Default Rate.

## Section 10.3 - Other Provisions.

(a) If the City exercises the remedies provided for in <u>Subsection 10.2(a)</u> or <u>Subsection 10.2(b)</u> above, Airline shall surrender possession and vacate the Premises or appropriate portion thereof immediately and deliver possession thereof to the City, and Airline hereby grants to the City full and free license to enter into and upon the Premises in such event and take complete and peaceful possession of the Premises, to expel or remove Airline and any other occupants and to remove any and all property therefrom without being deemed in any manner guilty of trespass, eviction, forcible entry and detainer, or conversion of property and without relinquishing the City's right to rent or any other right given to the City hereunder or by operation of law.

(b) All property removed from the Premises by the City pursuant to any provisions of this Lease or by law may be handled, removed, or stored in a commercial warehouse or otherwise by the City at the sole risk, cost, and expense of Airline, and the City shall in no event be responsible for the value, preservation, or safekeeping thereof. Airline shall pay the City, upon demand, any and all expenses incurred by the City in connection with such removal and storage charges against such property so long as the same shall be in the City's possession or under the City's control. All property not removed from the Premises or retaken from storage by Airline within thirty (30) days after the end of the Term or termination of Airline's possession by virtue of Section 10.2, however terminated, shall, if the City so elects, be conclusively deemed to have been forever abandoned by Airline, in which case such property may be sold or otherwise disposed of by City without further accounting to Airline.

(c) Airline shall pay all of the City's costs, charges, and expenses, including court costs and reasonable attorneys' fees, incurred in successfully enforcing Airline's obligations under this Lease.

(d) No waiver by the 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. 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 or demand, whether according to any statutory provisions 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 the City, or as an election not to proceed under the provisions of this Lease. The rights and remedies hereunder are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another, except where rights and remedies are specifically limited as set forth elsewhere in this Lease.

Section 10.4 - Further Right to Terminate. If the City's exercise of its remedies pursuant to <u>Section 10.2</u> shall be stayed by order of any court having jurisdiction over any proceeding described above, or by federal or state statute, or if the trustee appointed in any such proceeding, Airline or Airline as debtor-in-possession shall fail to assume Airline's obligations under this Lease within the period prescribed therefor by law or within one hundred twenty (120) days after entry of the order for relief or as may be allowed by the court, or if said trustee, Airline or Airline as debtor-in-possession shall fail to provide adequate protection of the City's right, title, and interest in and to the Premises or adequate assurance of the complete and continuous future performance of Airline's obligations under this Lease as provided in <u>Section 10.5</u> below, then the City, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, and after the expiration of any such stay, shall have the right, at its election, to terminate this Lease on five (5) days' written notice to Airline, Airline as debtor-in-possession or said trustee, and upon the expiration of said 5-day period, this Lease shall cease and expire as aforesaid, and Airline, Airline as debtor-in-possession or said trustee, as the case may be, shall immediately quit and surrender the Premises as aforesaid.

Section 10.5 - <u>Adequate Protection</u>. If an order for relief is entered or if a stay of proceeding or other acts becomes effective in favor of Airline or Airline's interest in this Lease, in any proceeding which is commenced by or against Airline under the present or any future applicable federal Bankruptcy Code or any other present or future applicable federal, state, or other Law, the City shall be entitled to invoke any and all rights and remedies available to it under such Bankruptcy Code, Law or this Lease, including, without limitation, such rights and remedies as may be necessary to adequately protect the City's right, title, and interest in and to the Premises, or any part thereof, or adequately assure the complete and continuous future performance of Airline's obligations under this Lease. Adequate protection of the City's right, title, and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Airline's obligations under this Lease shall include, without limitation, the following requirements:

(a) that Airline shall duly and timely comply with all of its obligations under this Lease, including, but not limited to, the payment of Rent in accordance with the terms of this Lease;

(b) that Airline shall continue to use the Premises for the Permitted Use in the manner required by this Lease;

(c) that the City shall be permitted to supervise the performance of Airline's obligations under this Lease;

(d) that Airline shall hire such security personnel as may be necessary to insure the adequate protection and security of the Premises; and

(e) that if Airline's trustee, Airline, or Airline as debtor-in-possession assumes this Lease and proposes to assign the same (pursuant to Title 11 U.S.C. 365, as the same may be amended) to any person or entity who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to the trustee, Airline, or Airline as debtor-in-possession, then notice of such proposed assignment, setting forth: (i) the name and address of such person or entity; (ii) all of the terms and conditions of such offer; and (iii) the adequate assurance to be provided the City to assure such person's or such entity's future performance under the Lease, including, without limitation, the assurances referred to in Title 11 U.S.C. 365(b)-(d) (as they may be amended), shall be given to the City by the trustee, Airline, or Airline as debtor-in-possession no later than twenty (20) days after receipt by the trustee, Airline, or Airline as debtor-in-possession of such offer, but in any event no later than thirty (30) days prior to the date that the trustee, Airline, or Airline as debtor-in-possession shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and the City shall thereupon have the prior right and option, to be exercised by notice to the trustee, Airline, or Airline as debtor-in-possession prior to the effective date of such proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person or entity, less any brokerage commissions and other expenses which may be payable out of the consideration to be paid by such person or entity for the assignment of this Lease. No guaranty from a guarantor shall be extinguished, modified, or prohibited in case Airline becomes the subject of or seeks relief under any federal or state bankruptcy or insolvency laws, and Airline shall not take a position to the contrary.

**Section 10.6** - <u>Force Majeure Delay</u>. No party shall be deemed to be in default in the performance of any obligation created under or pursuant to this Lease, other than an obligation requiring the payment of a sum of money (which shall not be subject to Force Majeure Delay), if and as long as non-performance of such obligation shall be directly caused by Force Majeure Delay, and the time limit for such performance shall be extended for a period equal to the period of any such Force Majeure Delay (except and to the extent this Lease provides for a limit or restriction on Force Majeure Delay). However,

if in an emergency situation non-performance is due to a Force Majeure Delay which does not affect a self-help remedy which may be otherwise exercised by City under <u>Section 11.2</u> for such non-performance, then notwithstanding such Force Majeure Delay, the City shall still be entitled to such remedy with respect to those obligations to have been performed by Airline which are the subject of Force Majeure Delay. When it becomes aware of Force Majeure Delay, the party experiencing Force Majeure Delay shall notify the other party in writing of the existence and nature of any Force Majeure Delay within a reasonable time after the onset of any such Force Majeure Delay. The party experiencing Force Majeure Delay shall, (i) from time to time upon the written request of the other party, keep such other party fully informed, in writing, of all further developments concerning such Force Majeure Delay, and (ii) use commercially reasonable efforts to mitigate and eliminate the impact of such Force Majeure Delay.

# ARTICLE 11 SPECIAL RIGHTS OF THE CITY

Section 11.1 - <u>City's Reserved Rights</u>. All rights not expressly granted to Airline herein are reserved by the City, including, without limitation, the following rights (which may be exercised by the City's officers, employees, agents, licensees, contractors, or designees):

(a) rights to air or space above the top level of the Premises. Upon notice to Airline, to install and maintain signs on the Premises (other than the Airline Improvements);

(b) to enter the Premises and perform tests and other activities as described in <u>Section 14.4</u>, <u>Section 14.5</u>, and <u>Section 14.6</u>;

(c) to decorate, remodel, repair, alter, or otherwise prepare the Premises for reoccupancy at any time after Airline vacates or abandons the Premises;

(d) to maintain, replace, repair, alter, construct, or reconstruct existing and future utility, mechanical, electrical, and other systems, or portions thereof, on the Premises, including, without limitation, systems for the supply of heat, water, gas, fuel, and electricity, and for the furnishing of sprinkler, sewerage, drainage, and telephone service, including all related lines, pipes, mains, wires, conduits, and equipment. If the City is performing any such activity on the Premises, the City shall provide reasonable advance notice to Airline. In the exercise of such rights, the City shall not unreasonably interfere with the business conducted by Airline in the Premises, and the City shall restore the Premises to their condition immediately prior to the exercise of such rights;

(e) to exercise such other rights as may be granted the City elsewhere in this Lease;

(f) upon the giving of reasonable notice, Airline shall allow the City, and its officials, officers, agents, employees, and contractors, reasonable access to the Premises for the purpose of examining the same to ascertain if Airline 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;

All such rights in this <u>Section 11.1</u> shall be exercisable without notice (except as expressly provided in this <u>Section 11.1</u>) and (so long as such rights are exercised in accordance with the conditions set forth above, if any, for exercise of such rights) without liability to Airline for damage or injury to property, person, or business, and without effecting an eviction or disturbance of Airline's use or possession or giving rise to any claim for setoff or abatement of Rent or affecting any of Airline's obligations under this Lease. Notices under this <u>Section 11.1</u> may be given verbally in an emergency or

where entry does not materially affect Airline's use and occupancy. Reasonable notice shall in no event require more than twenty-four (24) hours' notice.

Section 11.2 - City's Right to Perform Airline's Obligation. In an emergency situation or upon occurrence of an Event of Default, the City may (but shall not be obligated so to do), and without waiving or releasing Airline from any obligation of Airline hereunder, make any payment or perform any other act which Airline is obligated to make or perform under this Lease in such manner and to such extent as the City may deem desirable; and in so doing the City shall also have the right to enter upon the Premises for any purpose reasonably necessary in connection therewith and to pay or incur any other necessary and incidental costs and expenses, including reasonable attorneys' fees. All sums so paid and all liabilities so incurred by the City, together with interest thereon at the Default Rate, shall be deemed additional rent hereunder and shall be payable to the City upon demand as additional rent (provided, however, that no interest shall accrue on such sums if so incurred due to an emergency situation, and not as a result of an Event of Default by Airline hereunder, so long as Airline pays such sums to the City within thirty (30) days following the City's written invoice therefor). The City shall use reasonable efforts to give prior notice (which may be oral) of its performance, if reasonably feasible under the circumstances. The performance of any such obligation by the City shall not constitute a waiver of Airline's default in failing to perform the same. Inaction of the City shall never be considered as a waiver of any right accruing to it pursuant to this Lease. The City, in making any payment hereby authorized: (a) relating to Impositions, may do so according to any bill, statement, or estimate, without inquiry into the validity of any such Impositions or claims thereof; (b) for the discharge, compromise, or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction of improvements to the Premises or the repair, maintenance, or reconstruction of the Premises or the payment of operating costs thereof; may do so in such amounts and to such persons as the City reasonably may deem appropriate. Nothing contained herein shall be construed to require the City to advance monies for any purpose. The City shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of Airline or any other occupant of the Premises or any part thereof, by reason of making repairs or the performance of any work on the Premises or on account of bringing materials, supplies, and equipment into or through the Premises during the course thereof in connection with City's actions under this Section 11.2, and the obligations of Airline under this Lease shall not thereby be affected in any manner.

## ARTICLE 12 CONDEMNATION

Section 12.1 - <u>Procedure</u>. In the event that at any time during the term of this lease, all or a portion of the premises, or all access thereto, or airline's entire leasehold interest in all or a portion of the premises pursuant to this lease, is taken or damaged by the exercise of power of eminent domain by any condemning authority ("Condemnation Proceedings"), then (whether or not this lease terminates by operation of law upon the exercise of such power), the share of any award resulting to the city or airline for the taking of their respective interests in and to the premises or damages resulting to their respective interests by reason of the exercise of such power of eminent domain, shall be separately determined by the court having jurisdiction, not by the jury, and separate judgments with respect to such damages to the city and airline, respectively, and to each of their respective interests, shall thereafter be made and entered. The city and airline shall make such requests and petitions to the court as are consistent with the foregoing procedure.

Section 12.2 - <u>Total Taking</u>. In the event that: (a) all of the premises are sought to be taken by the exercise of the power of eminent domain; or (b) under the threat of condemnation, all of the premises are conveyed to a condemning authority pursuant to an agreement between the city, airline, and such

condemning authority; or (c) a portion of the premises are taken by eminent domain or conveyed as aforesaid under threat of condemnation and the remainder of the premises are not capable of being restored to a condition as may be reasonably required to fulfill the intent and purpose of this Lease; or (d) all of the premises are taken by the exercise of the power of eminent domain for occupancy by a condemning authority for a temporary period and such temporary period extends beyond the date of the termination of this lease; this Lease shall terminate effective upon the date that the condemning authority legally acquires the right of possession to the premises. In the event of termination of this Lease as aforesaid, base rent, impositions, and any other sum or sums of money and other charge whatsoever provided in this Lease to be paid by airline shall be paid by airline up to the date of such termination. The amount of compensation and damages resulting to the city and airline and respectively and to their respective interests in and to the premises and in and to and in connection with this Lease in the event of termination of this lease as aforesaid shall be determined in accordance with the provisions of section 12.1 hereof.

Section 12.3 - <u>Partial Taking</u>. In the event that less than the entire Premises and access thereto or Airline's leasehold interest in less than the entire Premises and access thereto is taken permanently by the exercise of the power of eminent domain, and if the remainder of the Premises are capable of being restored to a condition reasonably required to fulfill the intent and purpose of this Lease, then in such event, this Lease shall not terminate but shall remain in full force and effect and Airline shall continue to perform and observe all of the obligations of Airline hereunder, including the obligations to pay Base Rent and Impositions as provided herein, and shall restore the Premises to a condition required to fulfill the interest and purpose of this Lease. However, effective as of the date the condemning authority legally acquires the right of possession to such portion of the Premises so taken and continuing thereafter during the remainder of the Term, Base Rent payable by Airline during the remainder of the Term of this Lease shall be adjusted solely by reducing the area of the Premises used in calculating Base Rent by that portion of the land area of the Premises used in calculating Base Rent which was taken by Condemnation Proceedings. The value of the Airline's interest shall not include any money to pay Base Rent in the future (and any such amount allocated to Airline shall be paid to the City).

In the event of such a partial taking, the City shall first be paid that portion of the award which represents the value of its interest in and to the Premises as may have been taken as a result of such partial taking. Next, Airline shall first be paid an amount of any award in trust sufficient to undertake the complete restoration of the Premises as may be necessary as a result of such partial taking. The City shall be entitled to receive and retain any balance remaining of such award made as a result of such partial taking. If the proceeds are insufficient to complete restoration of the Premises, Airline shall nevertheless perform such restoration at its cost, in accordance with the provisions of <u>Article 5</u> of this Lease.

Section 12.4 - <u>Temporary Takings</u>. If the temporary use of the whole or any part of the Premises shall be taken by Condemnation Proceedings as hereinabove referred to for a period which does not extend beyond the Term of this Lease, this Lease shall not terminate by reason thereof and Airline shall continue to pay in full the Rent, Impositions, and other charges herein provided to be paid or assumed or reimbursed by Airline, and, except only to the extent that Airline is prevented from so doing by reason of any order of the condemning authority, Airline shall continue to perform and observe all of the covenants, conditions, and obligations hereof which are herein provided to be observed or performed by Airline, all to the same extent and with the same force and effect as if such temporary use or taking had not occurred. Any award for such temporary taking, whether paid or by way of damages, rent, or otherwise shall be received, held and disbursed in the manner following:

(a) An amount equal to the sum of (x) the Base Rent for the entire period of such temporary use or taking shall be deposited with an escrow trustee acceptable to the City and shall be from

time to time applied to the payment of Base Rent and Impositions as the same from time to time become due and payable;

(b) The amount jointly agreed upon by the City and Airline as the estimated amount required to be expended upon the termination of such temporary use or occupancy to restore the Premises and Improvements as nearly as may be reasonably possible to the condition in which same was immediately prior to such taking, shall be reserved and shall be used and available for use for such purposes (and if no agreement is reached, then the City may deduct and retain an amount reasonably estimated by the City); and

(c) The remainder shall be paid over to and become the property of Airline; however, the amount of any Rent or other charges then owing by Airline to the City under the provisions of this Lease, together with all unpaid Impositions, and the amount so deducted shall be paid to or upon the order of the City.

Section 12.5 - <u>Taking Upon Possession</u>. The Premises or any part thereof shall be deemed to be taken by Condemnation Proceedings within the meaning of the foregoing provisions upon the transfer of possession thereof to the condemning authority; provided, however, any valuation of the City's or Airline's interests shall be as of the date of the filing of Condemnation Proceedings.

Section 12.6 - <u>No Restriction</u>. Nothing in this Lease or the existence of this Lease shall be construed to restrict or in anyway interfere with the exercise of eminent domain by the County or the City.

Section 12.7 - <u>Taking of Airline's Entire Leasehold Interest</u>. In the event of a taking of Airline's entire leasehold interest hereunder, whether or not there is a taking of the underlying fee interest, the value of such leasehold interest shall be the difference between the fair cash rental value of the Premises as improved and the Rent reserved under this Lease, and including payment of Impositions, discounted for the present value at the Discount Rate.

## ARTICLE 13 SUBLEASE AND ASSIGNMENT OF PREMISES

Section 13.1 - General. Except as otherwise set forth in this Article 13, Airline shall not, without the prior written consent of the City in each instance: (a) assign, transfer, mortgage, pledge, hypothecate, or encumber, or subject to or permit to exist upon or be subjected to any lien or charge, this Lease or any interest under it (including any sublease or easement); (b) allow to exist or occur any transfer of or lien upon the Premises, this Lease, or Airline's interest herein by operation of law; (c) sublet the Premises or any part thereof; or (d) permit the use or occupancy of the Premises or any part thereof for any purpose not provided for herein or by anyone other than Airline. The requirements of this Article 13 shall apply to any transaction or series of transactions that shall have the same effect as any of the aforementioned occurrences, and in no event shall this Lease be assigned or assignable by voluntary or involuntary bankruptcy proceedings or otherwise, and in no event shall this Lease or any rights or privileges hereunder be an asset of Airline under any bankruptcy, insolvency or reorganization proceedings. The City may withhold its consent to any of the acts described in Clauses (a) through (d) above in its sole and absolute discretion; provided, however, the City's consent shall not be required in order for Airline to sublease this Lease to a Related Party (as defined in Section 13.2 hereof) in the air transportation business (i.e. Envoy) on the terms set forth in said Section 13.2. Airline shall not grant a leasehold mortgage without the City's prior written consent, which consent may be withheld or conditioned in the City's sole and absolute discretion. Except as otherwise set forth in this Article 13, the City's right to consent under this Article 13 applies to any assignment of this Lease, or to any sublease or

transfer of any interest in this Lease or any subleased Premises. Notwithstanding the foregoing, in no event shall Airline sublease the Premises, or any portion thereof, to any entity other than a commercial airline.

Section 13.2 - Notice and Consent. The term "Related Party" means: a Person controlling, controlled by, or under common control of, the original named Airline under this Lease, or which acquires all of the assets of the original Airline, or which results from a merger or consolidation with the original Airline. As used in the term "Related Party", "control" means ownership of the (a) managing partner interests in a partnership, (b) managing member interests in a limited liability company, or (c) more than fifty percent (50%) of the voting stock in a corporation. Airline shall notify the City in writing ("Notice of Subletting or Assignment") of the proposed commencement date of the assignment or subletting, and shall include the name and address of the proposed subtenant or assignee, a true and complete copy of the proposed sublease or assignment, and all related documents, and a financial statement of the subtenant or assignee (except in the case of a Related Party), disclosures and information required under Section 6.1 and Section 6.2 hereof, as applicable to its form of business organization, and such other information as may be reasonably required by the City. Airline may not assign its right, title and interest under this Lease prior to Substantial Completion of all of the Airline Improvements. Following approval by the City of any sublease or assignment, Airline shall deliver the final form of sublease or instrument of assignment to the City no later than thirty (30) days prior to the proposed commencement of such sublease or assignment.

Section 13.3 - Effect of Consent. Consent by the City to any assignment or sublease shall not operate to relieve, release, or discharge the Airline making such assignment or sublease of or from any obligations, whether past, present, or future, under this Lease, and such Airline shall continue fully liable hereunder except to the extent, if any, expressly provided for in such consent. Upon any such permitted assignment, the term "Airline" as used in this Lease shall refer to the assignee holding the leasehold estate under this Lease (except as otherwise specifically provided herein), provided that the assignor Airline shall remain jointly and severally liable for the obligations of Airline under this Lease. Consent by the City in any one instance shall not be deemed to be a consent to or relieve Airline from obtaining the City's consent to any subsequent assignment or subletting. Consent by the City shall be conditioned upon agreement by the subtenant or subtenants or assignees to comply with and be bound by all of terms, covenants, conditions, provisions, and agreements of this Lease to the extent of the space sublet or assigned, and an agreement that the City shall have the right, but not the obligation, to enforce the terms and provisions of any such assignment or sublease affecting the City's interests and Airline shall deliver to the City within thirty (30) days after execution, an executed copy of each such sublease or assignment containing an agreement of compliance by each such subtenant and assignee. Airline shall pay all of the City's costs, charges, and expenses, including reasonable attorney's fees, incurred in connection with any assignment or sublease requested or made by Airline.

Section 13.4 - <u>Transfer by the City</u>. The City shall have the right, at any time and at its sole option, to sell, transfer, or otherwise convey its right, title, and interest in and to this Lease and/or all or any portion of the Premises, other than to a commercial airline, an affiliate of either a commercial airline, or a direct competitor of any commercial airline, and in the event of any such sale, transfer, or conveyance by the City, the same shall operate to release the City from any future obligations and any future liability for or under any of the covenants or conditions, express or implied, herein contained in favor of Airline, and in such event, and with respect to such obligations, covenants, and conditions, Airline agrees to look solely to the successor in interest of the City in and to this Lease. This Lease shall not be affected by any such sale, conveyance or transfer.

## ARTICLE 14 CONTAMINANTS, WASTES, AND HAZARDOUS MATERIALS

#### Section 14.1 Defined Terms.

(a) "Claim" shall mean any demand, cause of action, proceeding, or suit for damages (actual or punitive), injuries to person or property, damages to natural resources, fines, penalties, interest, or losses, or for the costs of site investigations, feasibility studies, information requests, health or risk assessments, contribution, settlement, or actions to correct, remove, remediate, Respond to, clean up, prevent, mitigate, monitor, evaluate, assess, or abate the Release of a Hazardous Material, or any other investigative, enforcement, cleanup, removal, containment, remedial, or other private or governmental or regulatory action at any time threatened, instituted, or completed pursuant to any applicable Environmental Law, or to enforce insurance, contribution, or indemnification agreements being made pursuant to a claimed violation or non-compliance with any Environmental Law against Airline with respect to any part of the Premises or any condition, use, or activity on the Premises (including any such action against the City), and any claim at any time threatened or made by any person against Airline with respect to the Premises or any condition, use, or activity on the Premises (including any such action against the City), relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from or in any way arising in connection with any Hazardous Material or any Environmental Law.

(b) **"Contaminant"** shall mean any solid, liquid, or gaseous matter, any odor, or any form of energy, from whatever source in sufficient quantities and of such characteristics and duration either: (1) to be injurious to human, plant or animal life, or (2) to property; or to unreasonably interfere with the enjoyment of life or property; or (3) to exceed any rule, standard or regulation promulgated under authority of any Environmental Law for the contaminant(s) at issue.

(c) "Environmental Assessment" shall mean a report of an environmental assessment of the Premises (including, but not limited to, the taking of soil borings and air and groundwater samples and other above and below ground testing) as may be prepared by a licensed consulting firm acceptable to the City and made in accordance with the recommendations of such consultant.

(d) "Environmental Damages" shall mean all Claims, demands, liabilities (including strict liability), losses, damages, causes of action, judgment, penalties, fines, costs and expenses (including reasonable fees and costs of attorneys (whether incurred at, before or after any trial, proceeding, or appeal therefor, and whether or not taxable as costs), consultants, contractors, experts and laboratories), of any and every kind or character, contingent or otherwise, matured or unmatured, known or unknown, foreseeable or unforeseeable, made, incurred, suffered, brought, or imposed at any time and from time to time, whether before, on or after the Expiration Date (other than any Pre-Existing Condition) to the extent arising from one or more of the following:

(i) the presence of any Contaminant, Waste, or Hazardous Material on the Premises on or before the Expiration Date in violation of or requiring clean-up under any Environmental Law, or any escape, seepage, leakage, spillage, emission, release, discharge, or disposal of, or Response to, any Contaminant, Waste, or Hazardous Material on or from the Premises; or

(ii) any act, omission, event, or circumstance existing or occurring in connection with the handling, treatment, containment, removal, storage, decontamination, clean-up, transport, or disposal of, or Response to any Contaminant, Waste, or Hazardous Material which is at any time before, on, or after the Expiration Date present on the Premises; or

(iii) the breach of any representation, warranty, covenant, or agreement contained in <u>Article 14</u> of this Lease; or

any Claim, or the filing or imposition of any environmental lien against the (iv) Premises, because of, resulting from, in connection with, or arising out of any of the matters referred to in subsections (i) through (iii) above, and including, but not limited to: (1) injury or damage to any person, property, or natural resource occurring on or off of the Premises, including, but not limited to, the cost of demolition and rebuilding of any improvements on real property; (2) the investigation or remediation of any such Contaminant, Waste, or Hazardous Material or violation of Environmental Law, including, but not limited to, the preparation of any feasibility studies or reports and the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration, monitoring, or similar work required by any Environmental Law (including any of the same in connection with any foreclosure action or transfer in lieu thereof); (3) all liability to pay or indemnify any person or governmental authority for costs expended in connection with any of the foregoing; (4) the investigation and defense of any Claim, whether or not such Claim is ultimately defeated; and (5) the settlement of any Claim or judgment.

"Environmental Law" shall mean any Federal, state, or local law, statute, (e) ordinance, code, rule, regulation, license, authorization, order, or injunction which pertains to health, safety, any Contaminant, Waste, or Hazardous Material, or the environment (including, but not limited to, ground or air or water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Section 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq.; the Municipal Code of the City of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

(f) "Hazardous Material" shall mean any substance, whether solid, liquid, or gaseous, which is listed, defined, or regulated as a "hazardous substance," or "hazardous waste", or otherwise classified as hazardous or toxic, in or pursuant to any Environmental Law; or which is or contains asbestos, radon, any polychlorinated biphenyl, urea formaldehyde foam insulation, explosive or radioactive material, or motor fuel or other petroleum hydrocarbons; or is a hazard to the environment or to the health or safety of persons.

(g) "On" when used with respect to the Premises or any property adjacent to the Premises, means "on, in, under, above, or about."

(h) "**Pre-Existing Condition**" shall mean the presence of any Contaminant, Waste, or Hazardous Material on the Premises prior to the date on which Airline first enters onto the Premises and commences construction of the Airline Improvements thereon, including without limitation as more specifically described and set forth in the Final Environmental Report (as hereinafter defined), as the case may be.

(i) "**Release**" or "**Released**" means, any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Contaminants, Wastes, or Hazardous Materials into the environment,

(j) "**Response**" or "**Respond**" shall mean action taken in compliance with Environmental Laws to correct, remove, remediate, clean-up, prevent, mitigate, treat, monitor, evaluate, investigate, assess, or abate the Release of a Contaminant, Waste, or Hazardous Material or prevent or abate any public nuisance.

time to time.

(k)

**(l)** 

"Waste" shall have the meaning set forth in 415 ILCS 5/3.535, as amended from

"Construction or Demolition Debris" shall have the meaning set forth in 415

ILCS 5/3.160.

#### Section 14.2 - Airline's Obligations with Respect to Environmental Matters.

During the Term: (i) Airline shall at its own cost comply with all applicable Environmental Laws; (ii) Airline shall not handle, generate, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of, or abandon Contaminants, Wastes, or Hazardous Materials or authorize any of such activities on the Premises, including installation of any USTs, except as otherwise permitted in Subsection 14.2 hereof, and in any case without prior written disclosure to the City (other than for Hazardous Materials expressly permitted under Subsection 14.2 hereof); (iii) Airline shall not take any action that would subject the Premises to permit requirements under RCRA or any other Environmental Laws for storage, treatment, or disposal of Contaminants, Wastes, or Hazardous Materials; (iv) Airline shall not dispose of Contaminants. Wastes, or Hazardous Materials in dumpsters provided by the City for Airline's disposal of ordinary refuse; (v) Airline shall not discharge Contaminants, Wastes, or Hazardous Materials into drains or sewers except in compliance with applicable Environmental Law; (vi) Airline shall not cause or allow the Release of any Contaminants, Wastes, or Hazardous Materials on, to or from the Premises except in compliance with applicable Environmental Law; (vii) Airline shall at its own cost arrange for the lawful transportation and off-site disposal at a properly permitted facility of all Contaminants, Wastes, or Hazardous Materials that it generates or Releases; (viii) Airline keep such records and obtain such permits as may be required for Airline's activities under Environmental Laws; and (ix) Airline shall comply with any applicable Airport stormwater pollution prevention plan and spill prevention control and countermeasures plan in effect from time to time.

Notwithstanding the foregoing, Airline may possess, use, store and transport on the Premises such Contaminants, Wastes, or Hazardous Materials as Airline uses in the ordinary course of its business, including without limitation Jet A fuel. Airline may also use and dispose of on the Premises those Contaminants, Wastes, or Hazardous Materials cleaning products normally and customarily used in maintaining and cleaning the Premises, as part of the Permitted Use so long as Airline's use, storage, disposal, and transportation of such Contaminants, Wastes, or Hazardous Materials complies in all respects with all applicable Environmental Laws. Airline may also conduct such handling, storage, and disposal on the Premises of any Contaminants, Wastes, or Hazardous Materials which Airline may lawfully transport in the ordinary course of its business operations; provided, however, that all such handling, storage, disposal, and transportation on the Premises shall comply in all respects with applicable Environmental Laws. Said procedures and equipment shall comply with the applicable Laws and standards of the federal, state, and local governmental bodies having jurisdiction over said fuel and fuel dispensing procedures, equipment, or facilities.

Section 14.3 - <u>Copies of Notices</u>. During the Term, Airline shall promptly provide the City with copies of all summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders or decrees, Claims, complaints, investigations, judgments, letters, notices of environmental liens or Response actions in progress, , actual or threatened, from the United States Environmental Protection Agency, Occupational Safety and Health Administration, Illinois Environmental Protection Agency or other federal, state, or local agency or authority, or any other entity or individual, concerning (i) any Release of a Contaminant, Waste, or Hazardous Material on, to, or from the Premises, (ii) the imposition of any lien on the Premises, or (iii) any alleged violation of or responsibility under Environmental Laws related to Airline's operations on the Premises.

Section 14.4 - Tests and Reports. Airline shall advise the City in writing of any Release of a Contaminant, Waste, or Hazardous Material on, to, or from the Premises, or of the discovery of the existence of any Contaminant, Waste, or Hazardous Material on the Premises in violation of, or requiring Response under, any applicable Environmental Laws, as soon as Airline first obtains knowledge thereof, including a full description of the nature and extent of the Contaminant, Waste, or Hazardous Material and all relevant circumstances. In addition, Airline shall perform or cause to be performed a Phase I environmental assessment or other comparable environmental inspection of the Premises (the "Final Environmental Report"), at any time during the 120-day period prior to the scheduled Expiration Date hereof (or the anticipated termination hereof, if different), which Final Environmental Report shall be performed at Airline's sole cost and expense. In the event that the Final Environmental Report shows any recognized environmental conditions or otherwise indicates the presence or suspected presence of any Contaminants, Wastes, or Hazardous Materials in, on, or under the Premises, to the extent caused by Airline, and its respective officers, agents, employees, contractors, sub-tenants, sub-lessees, guests, invitees, or licensees, Airline shall in such event also be required to remove and remediate any such recognized environmental conditions or other Contaminants, Wastes, or Hazardous Materials, as the case may be, required to be removed or remediated by, and in a manner otherwise consistent with, applicable Environmental Laws, and to perform any required restoration of the Premises in connection therewith, all in accordance with the terms and provisions of this Lease and applicable Environmental Laws. In the event that Airline fails to submit such Final Environmental Report to the City or commence performance of any required remediation work, as the case may be, within thirty (30) days prior to the scheduled Expiration Date hereof (or the anticipated termination hereof, if different), the City shall have the right and option (but not the obligation) to perform or cause to be performed such Final Environmental Report or such required remediation work, as the case may be, at Airline's sole cost and expense, in which event Airline shall, in addition to its other obligations hereunder, reimburse the City for all costs and expenses of such Final Environmental Report or such required remediation work as the case may be, within thirty (30) days following the City's written invoice therefor. Notwithstanding anything to the contrary herein. Airline's remediation, removal and clean-up obligations hereunder shall be limited to the applicable cleanup standard(s) allowed under Environmental Laws for sites consistent with the use of, and compatible with the current zoning of, the Premises (and, unless otherwise required by applicable Environmental Laws, Airline shall not be required to meet any more stringent standards applicable to residential or agricultural uses).

Section 14.5 - <u>Access and Inspection</u>. The City shall have upon reasonable advance written notice, access to the Premises and to those records of Airline which are not otherwise confidential, proprietary or protected by applicable privilege, relating to Contaminants, Wastes, or Hazardous Materials used by Airline on the Premises for the purpose of ascertaining the nature of the activities being conducted thereon and to determine the type, kind, and quantity of all products, materials, and substances brought onto the Premises or made or produced thereon. The City shall have the right to enter the Premises upon reasonable prior written notice, except in an emergency, and conduct appropriate inspections or tests in order to determine Airline's compliance with Environmental Laws; provided, the

City shall use reasonable efforts to minimize any disruption of Airline's business created thereby, and shall be responsible for promptly repairing any damages to the Premises to the extent caused by the City or the City's contractor in performing such inspections or tests. The City and its agents and representatives shall have the right to take samples, including, without limitation, (a) soil, water, and groundwater samples, in quantity sufficient for scientific analysis of all materials and substances present on the Premises, and (b) samples of products, materials or substances brought onto or made or produced on the Premises by Airline or an occupant claiming by, through or under Airline or otherwise present on the Premises.

## Section 14.6 - Obligation to Respond.

(a) If the presence of Contaminants, Wastes, or Hazardous Materials at the Premises gives rise to a Claim under any Environmental Law, Airline shall promptly, without cost or expense to the City (except as expressly provided to the contrary in <u>Subsection 14.6(c)</u> hereof), take, to the extent required under and in compliance with applicable Environmental Laws, all applicable action in Response, except as otherwise provided in this <u>Section 14.6</u>. Without limiting the foregoing, if at any time any Contaminant, Waste, or Hazardous Material is discovered to exist on the Premises in violation of or requiring clean-up under any Environmental Law and resulting from Airline's operations and those of its respective officers, agents, employees, contractors, sub-tenants, sub-lessees, guests, invitees, or licensees, (and except as set forth in <u>Subsection 14.6(c)</u> below), then:

- (i) Airline shall promptly, without cost or expense to the City (and based on a scope of work and timetable first reviewed and approved by the City), Respond to and dispose of the Contaminant, Waste, or Hazardous Material to the extent required under and in compliance with all applicable Environmental Laws and solely under Airline's name and provide the City with satisfactory evidence thereof; and
- (ii) before performing the work, provide the City with a cost estimate, and if such costs exceed three million dollars (3,000,000.00) and requested by the City, provide to the City within ten (10) days of the City's request (or earlier time period prescribed by the City in case of emergency) a letter of credit, financial security, or other written assurance evidencing to the City's reasonable satisfaction that all necessary funds are readily available to pay the costs and expenses of the actions required by subsection (i) above and to discharge any assessments or liens established against the Premises as a result of the presence of the Contaminant, Waste, or Hazardous Material on the Premises. As soon as practicable after completion of such remedial actions (but not more than thirty (30) days after completion), Airline shall deliver to the City a written confirmation that all required remedial action as stated above has been taken and successfully completed in compliance with all Environmental Laws, and that there is no remaining contamination on the Premises in violation of any Environmental Law, with respect to any such Contaminant, Waste, or Hazardous Material.

(b) The City may, but shall never be obligated to, upon not less than twenty (20) days' prior notice to Airline (or such shorter time period prescribed by the City in case of emergency) and Airline's failure to cure within such time period, Respond to or to cause the Response to the Contaminant, Waste, or Hazardous Material if Airline fails to promptly commence such Response following discovery and thereafter diligently pursue the same as may be required in <u>Subsection 14.6(a)</u> hereof.

(c) Notwithstanding anything in this <u>Article 14</u> to the contrary, it is acknowledged and agreed that, except to the extent caused by or arising from the acts or omissions of Airline, or any of its respective officers, agents, employees, contractors, guests, invitees, or licensees, neither Airline, nor any

of its respective officers, agents, employees, contractors, guests, invitees, or licensees, shall have any liability or responsibility for (nor shall Airline be required under <u>Section 14.7</u> below to indemnify, defend, or hold harmless any Indemnified Party for): (i) any Pre-Existing Condition; (ii) any Release of Contaminants, Wastes, or Hazardous Materials by any third party or properties adjacent to or in the vicinity of the Premises which affect the Premises or otherwise require a Response with respect to the Premises; or (iii) any Release of Contaminants, Wastes, or Hazardous Materials or otherwise require a Response with respect to the extent caused by or otherwise attributable to the acts or omissions of the City or its officials, officers, agents, employees, or contractors. To the extent required by applicable Environmental Laws, the City shall Respond to, and shall be entitled to access the Premises at any time or times upon reasonable prior notice (which may be oral) to Airline to Respond to, any Contaminants, Wastes, or Hazardous Materials arising under <u>Clauses (i) or (iii)</u> above (such actions arising under <u>Clauses (i) or (iii)</u> above (such actions arising under <u>Clauses (i) or (iii)</u> above (such actions arising under <u>Clauses (i) or (iii)</u> above being referred to herein as "**City Response Actions**"); provided, the City shall use reasonable efforts to minimize any disruption of Airline's business in connection with such Response Actions, and shall be responsible for promptly repairing any damages to the Premises to the extent caused by the City or the City's contractor in performing such Response Actions.

Section 14.7 - Environmental Indemnification. To the maximum extent permitted by applicable Laws, and except as otherwise provided herein or to the extent arising from the gross negligence or willful misconduct of any of the Indemnified Parties, Airline hereby indemnifies and agrees to defend and hold each Indemnified Party harmless from and against and, if and to the extent paid, reimburse such parties upon demand made in accordance with this <u>Article 14</u> for, any and all Environmental Damages, including, without limitation, any and all Claims made, or response costs incurred, in connection with the Premises. Such indemnity shall not apply to a particular Indemnified Party to the extent that such indemnity is void under applicable Law. Airline's obligations under this <u>Article 14</u> shall survive the termination or expiration of this Lease, and shall not be affected in any way by the amount of or the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises or any part thereof. This indemnification under this Section 14.7 shall be the sole and exclusive indemnification available to the Indemnified Parties for environmental matters under this Lease.

Section 14.8 - Other Rights. If any conflict exists between the provisions of this Lease and the provisions of any other agreement between the City and Airline relating to access to the Premises, Claims, or Environmental Damages, the stricter provision shall control. Nothing in this Lease shall limit or impair any rights or remedies of the City against Airline or any other person under any other agreement, any Environmental Law or otherwise at law or in equity, including, without limitation, any rights of contribution or indemnification. Rights under this <u>Article 14</u> granted to the City shall be exercisable by the City's officers, employees, agents, licensees, contractors, and designees.

#### Section 14.9 - Disposal of Materials, Construction or Demolition Debris, Soil and Waste.

Without limiting other provisions of this <u>Article 14</u> or any other provisions of this Lease, Airline shall be responsible for the proper disposal of all materials, Construction or Demolition Debris, soil, and other waste generated by the business operations of Airline, and its respective officers, agents, employees, contractors, guests, invitees, or licensees, including, but not limited to, the construction of capital improvements, or any activities as set forth in <u>Section 14.6</u> hereof, all in accordance with Environmental Laws. Airline shall identify to the City any disposal site or transfer station for materials, debris, soil, or other waste of which Airline is disposing, prior to its disposal, and shall complete and execute any form required by the City identifying such site or station. Airline shall not use or allow to be used for disposal or transfer any site or station not properly licensed. Any substitution, for whatever reason, shall be at Airline's cost. Airline shall pay the cost to remove waste to a properly licensed site or station. Airline shall notify the City of any community meetings, media involvement, or media coverage related to the loading, hauling, or disposal of materials, Construction or Demolition Debris, soil, and other wastes under this Lease in which Airline is asked to participate.

Non-compliance with the terms and conditions of this <u>Article 14</u> may affect Airline's eligibility for future contracts or leases.

Airline shall haul materials, including, but not limited to, fuel of any nature, any Construction or Demolition Debris, soil, and other wastes in vehicles and containers complying with all applicable Environmental Laws.

Section 14.10 - Miscellaneous Records. Airline must show evidence to the City of, and keep current throughout the Term of this Lease, to the extent related to Airline's operations on the Premises, all permits of any kind and insurance certificates required by federal, state, City, or other local governmental body or agency pursuant to any Environmental Law; copies of all load tickets, manifests, bills of lading, scale tickets, and other pertinent documents, including copies of all permits and licenses for the proposed transfer station or landfill; vehicle maintenance records; safety and accident reports; and records, reports, plans, and permits required by IEPA or OSHA. All such records and accounts shall be subject to review by the City and shall be made available to the City within ten (10) days following written request of the Commissioner, or other shorter reasonable period requested by the Commissioner. The City's review of any such records and accounts shall in no way serve to limit Airline's obligations or liability under the terms and conditions of this Lease or any Environmental Law.

#### Section 14.11- No Liability of the City.

The City shall have no liability to Airline (except as expressly provided in this Lease), or any permitted subtenant or occupant of the Premises or any portion thereof, or any of their respective members, employees, agents, partners, shareholders, officers, directors, contractors, licensees, or invitees, or other Persons whom Airline has permitted entry or with whom Airline has entered into a contract or understanding (oral or written) to use or occupy the Premises, as a result of Contaminants, Wastes, or Hazardous Materials now or hereafter located on the Premises; provided, the City shall be required to Respond to any City Response Actions to the extent provided under <u>Subsection 14.6(c)</u> hereof.

THE CITY MAKES NO REPRESENTATION OR WARRANTY AS TO THE ENVIRONMENTAL CONDITION OF THE PREMISES. EXCEPT FOR CITY RESPONSE ACTIONS REQUIRED UNDER <u>SUBSECTION 14.6(c)</u> HEREOF AND THE CITY'S LIABILITY TO THE EXTENT ARISING IN CONNECTION THEREWITH, AIRLINE HEREBY WAIVES ANY AND ALL CLAIMS AGAINST THE CITY, ITS OFFICIALS, OFFICERS, EMPLOYEES, CONTRACTORS, AND AGENTS WHICH MAY CURRENTLY EXIST OR WHICH MAY ARISE IN THE FUTURE BY CONTRACT, AT COMMON LAW, IN EQUITY, OR UNDER STATUTE, NOW OR THEN CURRENTLY IN EFFECT, AND WHICH RELATE TO ENVIRONMENTAL CONDITIONS ON, UNDER OR NEAR THE PREMISES.

Section 14.12 - <u>No Waiver</u>. Except as otherwise set forth or provided in this <u>Article 14</u> or elsewhere in this Lease, nothing contained in this <u>Article 14</u> is intended to limit or waive any common law or statutory rights of the City or Airline for liability to third parties for damage to property or injury to persons resulting from or arising in connection with Contaminants, Wastes, or Hazardous Materials located on the Premises.

## ARTICLE 15 SPECIAL PROVISIONS

Section 15.1 - <u>Notices; Consents</u>. All consents and approvals in connection with this Lease shall be in writing (except as otherwise provided herein) and shall be sent by U.S. registered or certified mail (proper postage prepaid and return receipt requested), by nationally-recognized commercial overnight delivery services (e.g. UPS, Federal Express, etc.), or by personal delivery, and addressed as follows:

(a) To the City:

Department of Aviation P.O. Box 66848 10510 West Zemke Road Chicago, IL 60666 Attn: Commissioner of Aviation

With copies to:

Department of Aviation - Real Estate Division P.O. Box 66848 10510 West Zemke Road Chicago, IL 60666 Attn: Deputy Commissioner of Real Estate

<u>And</u>:

City of Chicago Law Department 30 North LaSalle Street, Suite 1400 Chicago, IL 60602 Attn: Deputy Corporation Counsel of AERC Division

With copies to:

\_\_\_\_\_

or such other persons or addresses as either party may designate from time to time by written notice to the other. Mailed notices shall be deemed to have been given three (3) business days after deposit in the U.S. mail. Notice by nationally-recognized commercial overnight delivery service shall be deemed given the next business day following deposit with such service. Notice by personal delivery shall be deemed given upon personal delivery.

<sup>(</sup>b) To Airline:

Section 15.2 - <u>Severability</u>. If any provision of this Lease shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or of any Law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Lease shall not affect the remaining portions of this Lease or any part thereof.

Section 15.3 - <u>General Interpretation</u>. Any headings of this Lease are for convenience of reference only and do not define or limit the provisions thereof. In this Lease, unless the context otherwise requires, the terms "hereby", "herein", "hereof', "hereto", "hereunder", and any similar terms used in this manner refer to this Lease. All Section references, unless otherwise expressly indicated, are to sections in this Lease. Words importing persons shall include firms, associations, partnerships, trusts, corporations, joint ventures, and other legal entities, including public bodies, as well as natural persons. Words importing gender shall be deemed and construed to include correlative words of other genders. Words importing the singular number shall include the plural and vice versa, unless the context otherwise indicates. Any references to any exhibit or document shall be deemed to include all supplements and/or amendments to any such exhibits or documents. All references to any person or entity shall be deemed to include any persons or entity succeeding to the rights, duties, and obligations of such persons or entities in accordance with this Lease.

Section 15.4 - <u>Successors and Assigns</u>. All of the covenants, stipulations, and agreements herein contained shall run with the land and shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 15.5 - <u>Choice of Law and Jurisdiction</u>. This Lease, the interpretation hereof, and any disputes arising hereunder or in connection herewith shall be governed by, construed in accordance with, and enforced in accordance with the Laws of the State of Illinois. Each of the City and Airline hereby submit to local jurisdiction in the County of Cook, State of Illinois and/or in the United States District Court for the Northern District of Illinois (herein, the "Applicable Jurisdiction"), and each party (a) agrees that any action by Airline against the City or the City against Airline, as the case may be, shall be instituted in the Applicable Jurisdiction (b) agrees that courts located in the Applicable Jurisdiction shall have (i) personal jurisdiction over Airline for any action brought by the City against Airline, and (ii) personal jurisdiction over the City for any action brought by Airline against the City, and (c) waives any objection such party may have, whether pursuant to applicable Law or otherwise, to the jurisdiction of courts located in the Applicable Jurisdiction of courts located in the Applicable Jurisdiction of may have, whether pursuant to applicable Law or otherwise, to the jurisdiction of courts located in the Applicable Jurisdiction of may have, whether pursuant to applicable Law or otherwise, to the jurisdiction of courts located in the Applicable Jurisdiction of may have, whether pursuant to applicable Law or otherwise, to the jurisdiction of courts located in the Applicable Jurisdiction over this Lease and any disputes arising hereunder or in connection herewith.

Section 15.6 - <u>Counterparts</u>. This Lease has been executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

Section 15.7 - <u>Submission to Jurisdiction; Subpoena</u>. Airline hereby irrevocably submits to the original jurisdiction of those courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Lease. Service of process on the City may be made, either by U.S. registered or certified mail addressed as provided for in <u>Section 15.1</u> of this Lease, or by personal delivery on the Commissioner. Service of process on Airline may be made either by U.S. registered or certified mail, addressed as provided for in <u>Section 15.1</u> of this Lease, or by delivery to Airline's registered agent for service of process in the State of Illinois. If Airline is presented with a request for documents by any administrative agency or with a subpoena duces tecum regarding any documents which may be in its possession by reason of this Lease,

Airline shall immediately give notice to the City's Corporation Counsel. The City may contest such process by any means available to it before such records or documents are submitted to a court or other third party; provided, however, that Airline shall not be obligated to withhold such delivery beyond that time as may be ordered by the court or administrative agency, unless the subpoena or request is quashed or the time to produce is otherwise extended.

Section 15.8 - <u>No Partnership</u>, Joint Venture or Third Party Benefit. By entering into this Lease, the City shall in no way be deemed a partner or joint venturer with Airline, nor shall any term or provision hereof be construed in any way to grant, convey, or create any rights or interests to any person or entity not a party to this Lease.

Section 15.9 - <u>No Brokers</u>. The City and Airline each represents and warrants to the other that it has dealt with no broker, finder, or agent with respect to this Lease or the Premises, and each agrees to indemnify, defend, and hold harmless the other party hereto from any commissions or finder's fees which any entity or person claiming through or by the actions of said indemnifying party may assert is due as a result of the execution of this Lease or the demise of the Premises to Airline.

Section 15.10 - <u>City's Approval; Commissioner Authority</u>. Whenever the City's approval or consent is required under this Lease, the approval or consent shall not be unreasonably withheld, except to the extent otherwise expressly provided herein. Wherever this Lease provides that an act is to be taken or performed or approval or consent given by the City, such act may be taken or performed or approval or consent may be given by the Commissioner without further action by the City Council of Chicago, as long as such act, approval, or consent does not result in either: (1) an extension of the Term; (2) a reduction in the Rent as provided hereunder; or (3) an expansion of the Premises.

Section 15.11 - <u>Incorporation of Exhibits</u>. <u>Exhibits A</u> through G attached hereto are incorporated herein as if set forth fully at each reference to any Exhibit herein.

Section 15.12 - <u>Limitation of Liability</u>. Airline (and any person claiming by or through Airline) shall look solely to legally available Airport discretionary funds from time to time for enforcement of any liability of the City under this Lease, and not any other funds or assets of the City whatsoever. Notwithstanding anything in this Lease to the contrary, in no event shall the City be required to pay any amount on account of a breach or default (or alleged breach or default) hereunder in any twelve (12) month period which is greater than the aggregate of the Base Rent amounts received by the City during such period from Airline.

Section 15.13 - <u>Time of the Essence</u>. Time is of the essence with respect to Airline's obligations under this Lease.

Section 15.14 - <u>Publicity</u>. Airline shall not issue publicity news releases or grant press interviews or otherwise publicly disseminate any information regarding this Lease or the Airline's operations at the Premises without the prior written consent of the City in each instance.

Section 15.15 - <u>Entire Agreement</u>. This Lease constitutes the entire agreement of the parties as to the subject matter of this Lease, and may not be modified or supplemented except by a written instrument signed by the party against whom enforcement of the change is sought. The City has made no representation or warranties to, or agreements with, Airline which are not set forth in this Lease.

Section 15.16 - <u>Exercise by the City of Governmental Functions</u>. Nothing contained in this Lease shall (a) impair the right of the City in the exercise of its governmental functions as it relates to the Airport, the Premises, including, without limitation, the right to require Airline to pay any tax or

inspection fees or to produce necessary permits or licenses, or (b) be deemed to be the grant of any franchise, license, permit, or consent to Airline to operate motor coaches, buses, taxicabs, or other vehicles carrying passengers or property for hire or other consideration over the public ways to and from the Airport.

Section 15.17 - <u>Sustainability</u>. The City has developed The Sustainable Airport Manual ("SAM®") which provides guidance as to preferred sustainable practices at the Airport. At all times during the Term (as the same may be extended hereunder), Airline shall use its commercially reasonable efforts to implement commercially reasonable "sustainable best practices" in the design, construction, maintenance, and operation of the Premises. In furtherance of the foregoing, Airline agrees to use commercially reasonable efforts to employ environmentally preferable processes, products, and materials which do one or more of the following: (i) contain recycled material, are bio-based, are non-threatening to 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, including with regard to Airline's selection and use of janitorial cleaning products and equipment. Airline will use its commercially reasonable efforts to conduct, as and when appropriate, a review of products, processes, and materials to be utilized in the Premises, and Airline will use its commercially reasonable efforts to implement the City's above requests by continuing to assess additional processes, products, and materials on an ongoing basis. Airline is also encouraged to implement a recycling program.

Section 15.18 - <u>Security Cameras and the Airport Camera System</u>. Airline 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 airlines operating at the Airport (collectively, the "Security Camera Requirements") to the extent that such Security Camera Requirements are applicable to the Premises.

## Section 15.19 - City Termination Options.

(a) Subject to the terms and provisions of this <u>Section 15.19</u>, the City shall have and is hereby granted the right and option to terminate this Lease at any time during the Term with respect to the entirety of the Premises in the event that (a) Airline ceases using the Airline Improvements within the Premises for a period of ninety (90) consecutive days or more (the "Abandonment Termination Option"), (b) the City elects to demolish the Airline Improvements in connection with a redevelopment plan for the Terminals and/or the Airport to which Airline has therefore consented or agreed (the "Redevelopment Termination Option"), or (c) the City elects, in its sole and absolute discretion, that it is necessary or desirable to terminate this Lease for any reason other than in connection with the City's exercise of the Abandonment Termination Option or the Redevelopment Termination Option (the "Elective Termination Option"). The Abandonment Termination Option, the Redevelopment Termination Option, or the Elective Termination Option, as the case may be, shall be exercised by the City, if at all, as follows:

(i) The City shall deliver binding written notice to Airline of the City's exercise of such Abandonment Termination Option, Redevelopment Termination Option, or Elective Termination Option, as the case may be (in each case, the "City's Termination Notice") no later than ninety (90) days prior to the proposed effective termination date.

(ii) In connection with the City's exercise of either the Redevelopment Termination Option or Elective Termination Option only (and specifically excluding the Abandonment Termination Option), as the case may be, the City shall reimburse Airline for the thenunamortized costs incurred by Airline in connection with the design, planning, and construction of the Airline Improvements (which costs, as approved by the City as hereinabove provided, shall be amortized over a period of twenty-five (25) years using an interest rate of seven percent (7%) per annum) as detailed in Exhibit I (the "**Termination Reimbursement**"), which Termination Reimbursement shall be made by the City to Airline within ninety (90) days following the later of (A) the effective date of such termination, or (B) the date on which Airline has submitted all required documentation to the City establishing and confirming such costs. It is specifically acknowledged, understood, and agreed that there shall be no Termination Reimbursement due or payable to Airline in connection with the City's exercise of the Abandonment Termination Option.

(iii) In addition to the foregoing, in connection with the City's exercise of the Elective Termination Option only (and specifically excluding the Redevelopment Termination Option and the Abandonment Termination Option), Airline shall in such event thereafter have and retain a Right of First Refusal with respect to the Premises pursuant to, and in accordance with, the terms and provisions of <u>Section 15.21</u> of this Lease.

(b) In the event of the City's exercise of the Abandonment Termination Option, the Redevelopment Termination Option, or the Elective Termination Option, as the case may be, and provided that Airline elects not to exercise its Right of First Refusal in the event of the City's exercise of the Elective Terminal Option, , (i) Airline shall deliver the Premises to the City on or before the effective termination date set forth in the City's Termination Notice in accordance with the terms and conditions of this Lease, the same as if such effective termination date were the original Expiration Date of this Lease with respect to the Premises, and (ii) the City and Airline shall, at the request of either party hereof, execute and deliver to the other party hereto a lease termination Option, or Elective Termination Option, as the case may be, as soon as reasonably practicable following delivery of the applicable City's Termination Notice, but in any event prior to the effective termination date set forth in the City's Termination Notice.

### Section 15.20 - Extension Options.

Subject to the terms and provisions of this Section 15.20, including, specifically (a) and without limitation, the City's rights under Subsection 15.20(f) hereof, Airline shall have and is hereby granted two (2) options (each, an "Extension Option", and collectively, the "Extension Options") to extend the Term of this Lease with respect to the entirety of the Premises then demised hereunder, the first such option (the "First Extension Option") being for an additional period of five (5) years commencing immediately upon expiration of the initial Term (the "First Extended Term"), and the second such option (the "Second Extension Option") being for an additional period of five (5) years commencing immediately upon expiration of the First Extended Term (the "Second Extended Term"). The First Extension Option shall be exercised by Airline, if at all, by giving written notice (the "First Extension Notice") to the City on or before, but not later than, the last day of the one hundred sixtyeighth (168th) full calendar month following the Commencement Date (the "First Extension Option Exercise Deadline"), and the Second Extension Option shall be exercised by Airline, if at all, by giving written notice (the "Second Extension Notice") to the City on or before, but not later than, the last day of the two hundred twenty-eighth (228th) full calendar month following the Commencement Date (the "Second Extension Option Exercise Deadline"). Airline's exercise of the Second Extension Option shall be subject to and conditioned upon Airline's exercise of the First Extension Option, as provided hereunder. In the event that Airline fails to deliver the First Extension Notice to the City by the First Extension Option Exercise Deadline, Airline shall be deemed to have irrevocably waived the First Extension Option, and the same shall be null, void, and of no further force or effect, and in the event that Airline fails to deliver the Second Extension Notice to the City by the Second Extension Option Exercise Deadline, Airline shall be deemed to have irrevocably waived the Second Extension Option, and the same

shall be null, void, and of no further force or effect (time being of the essence in the delivery of each of the First Extension Notice and the Second Extension Notice hereunder).

(b) Each of the First Extended Term and the Second Extended Term shall be on the same terms, covenants, and conditions of this Lease, excluding the provisions of this <u>Section 15.20</u> (except with respect to the First Extended Term for which this <u>Section 15.20</u> shall continue to apply with respect to Airline's right to exercise the Second Extension Option hereunder), and except that Base Rent during the First Extended Term and the Second Extended Term, as the case may be, shall be adjusted as described in paragraph (c) below. Airline shall have no further rights to extend this Lease beyond the Second Extended Term.

(c)I The Base Rent during the First Extended Term shall automatically be increased by 5% over the Base Rent during the Term. The Base Rent during the Second Extended Term shall automatically be increased by an additional 5% of the Base Rent during the First Extended Term..

(d) The Extension Options are personal to Airline and may not be exercised by or for the benefit of, nor shall such Extension Options extend to, any assignee, subtenant, or any other party. It shall be a condition of Airline's right to exercise either such Extension Option that (i) neither this Lease, nor Airline's right to possession hereunder, shall have previously been terminated, (ii) there is then no Event of Default by Airline under any of the terms, covenants, or conditions of this Lease at the time that Airline delivers Airline's First Extension Notice or Second Extension Notice, as the case may be, or upon the commencement of the First Extended Term or the Second Extended Term, as the case may be, (iii) Airline has not assigned this Lease, in whole or in part, or sublet all or any portion of the Premises, at the time that Airline delivers Airline's First Extension Notice or Second Extension Notice, as the case may be, or upon the commencement of the First Extended Term or the Second Extension Notice, as the case may be, or upon the commencement of the First Extended Term or the Second Extended Term, as the case may be, and (iv) Airline is then leasing and occupying the entirety of the Premises for the Permitted Use at the time that Airline delivers Airline's First Extension Notice or Second Extension Notice, as the case may be, and upon the commencement of the First Extended Term or the Second Extended Term, as the case may be, and upon the commencement of the First Extension Notice or Second Extension Notice, as the case may be, and upon the commencement of the First Extension Notice or Second Extension Notice, as the case may be, and upon the commencement of the First Extended Term or the Second Extended Term, as the case may be, and upon the commencement of the First Extended Term or the Second Extended Term, as the case may be.

Notwithstanding anything in this Section 15.20 to the contrary, the City shall (e) have the right and option, to be exercised upon delivery of written notice to Airline within ninety (90) days following the City's receipt of Airline's First Extension Notice or Second Extension Notice, as the case may be, to reject Airline's exercise of the First Extension Option or the Second Extension Option, as the case may be, in which event (i) Airline's exercise of the First Extension Option or the Second Extension Option, as the case may be, shall be deemed null, void, and of no force or effect, (ii) this Lease shall thereupon terminate upon the expiration of the initial Term or the First Extended Term, as the case may be (unless sooner terminated in accordance with the other terms and provisions hereof), (iii) the City shall reimburse Airline for the then-unamortized costs incurred by Airline in connection with the design, planning, and construction of the Airline Improvements (which costs, as approved by the City as hereinabove provided, shall be amortized over a period of twenty-five (25) years using an interest rate of seven percent (7%) per annum), which Termination Reimbursement shall be made by the City to Airline within ninety (90) days following the later of (A) the expiration of the initial Term or the First Extended Term, as the case may be, or (B) the date on which Airline has submitted all required documentation to the City establishing and confirming such costs, and (iv) Airline shall in such event thereafter have and retain a Right of First Refusal with respect to the Premises pursuant to, and in accordance with, the terms and provisions of Section 15.21 of this Lease.

(f) Notwithstanding anything in this <u>Section 15.20</u> to the contrary, if Airline chooses not to exercise the First Extension Option or the Second Extension Option, as the case may be, (i) this Lease shall thereupon terminate upon the expiration of the initial Term or the First Extended Term, as the

case may be (unless sooner terminated in accordance with the other terms and provisions hereof), and (ii) the City shall reimburse Airline for the then-unamortized costs incurred by Airline in connection with the design, planning, and construction of the Airline Improvements (which costs, as approved by the City as hereinabove provided, shall be amortized over a period of twenty-five (25) years using an interest rate of seven percent (7%) per annum), which Termination Reimbursement shall be made by the City to Airline within ninety (90) days following the later of (A) the expiration of the initial Term or the First Extended Term, as the case may be, or (B) the date on which Airline has submitted all required documentation to the City establishing and confirming such costs.

Section 15.21 - <u>Right of First Refusal</u>. Subject to the terms and provisions of this <u>Section</u> 15.21, solely in the event that either (i) the City has theretofore exercised the Elective Termination Option as provided under <u>Section 15.19</u> hereof, or (ii) the City has theretofore rejected Airline's exercise of the First Extension Option or the Second Extension Option, as the case may be, and this Lease has theretofore expired as a result thereof (the "**ROFR Conditions**"), then Airline shall have a right of first refusal (the "**Right of First Refusal**") on the Premises in accordance with the terms and provisions hereinafter set forth.

(a) Subject to the foregoing, if, at any time following the occurrence of either of the ROFR Conditions, the City is prepared to enter into a lease or license for the Premises or the Airline Improvements then existing thereon with a prospective third party tenant ("Third Party Tenant"), or if the City has established uniform or prevailing terms and standards upon which the City would be willing to lease or license the Premises to third parties, including Airline, for the Permitted Use or other Airport uses, the City shall give Airline written notice thereof (a "ROFR Notice"), which ROFR Notice shall identify the Premises, specify the date on which the Premises will be made available to the Third Party Tenant for occupancy (the "Availability Date"), and set forth the rentals and other economic terms applicable thereto, including the terms to utilize the gates on a preferential basis. If Airline elects to exercise its Right of First Refusal hereunder. Airline shall deliver written notice to the City of Airline's unconditional exercise of its Right of First Refusal to so lease or license the Premises, but in no event later than, thirty (30) days following the date of such ROFR Notice ("Airline's ROFR Exercise Notice"). In the event that Airline fails to deliver Airline's ROFR Exercise Notice to the City within such 30-day period, Airline shall be deemed to have irrevocably waived its Right of First Refusal hereunder with respect to the Premises, and Airline's Right of First Refusal shall thereafter be deemed null, void, and of no further force or effect, time being of the essence with respect to the delivery of Airline's ROFR Exercise Notice hereunder.

(b) In the event that Airline validly exercises its Right of First Refusal hereunder, the City and Airline shall incorporate the Premises and gates located thereon into the then existing use agreement at O'Hare providing I use of the gates on the Premises on a preferential use basis, together with such other terms and provisions as may be contained therein.

(c) The Right of First Refusal is personal to Airline and may not be exercised by or for the benefit of, nor shall such Right of First Refusal extend to, any assignee, subtenant, or any other party. It shall be a condition of Airline's right to exercise the Right of First Refusal that (i) neither this Lease, nor Airline's right to possession hereunder, shall have previously been terminated, (ii) there is then no Event of Default by Airline under any of the terms, covenants, or conditions of this Lease at the time that Airline delivers Airline's ROFR Notice or upon the commencement date of the lease or license agreement applicable thereto, as the case may be, (iii) Airline has not assigned this Lease, in whole or in part, or sublet all or any portion of the Premises, at the time that Airline delivers Airline's ROFR Notice or upon the commencement date of the lease or license agreement applicable thereto, as the case may be, and (iv) Airline is then leasing and occupying the entirety of the Premises for the Permitted Use at the time that Airline delivers Airline's ROFR Notice or upon the commencement date of the lease or license agreement applicable thereto, as the case may be.

(d) The terms and provisions of this <u>Section 15.21</u> shall survive the expiration or earlier termination of this Lease for a period of one (1) year thereafter.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the City has caused this Lease to be executed on its behalf by the Commissioner of the Chicago Department of Aviation, pursuant to due authorization of the City Council, and Airline has caused this Lease to be executed on its behalf by its \_\_\_\_\_\_ and attested by its \_\_\_\_\_\_\_, 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: \_\_\_\_\_

Commissioner Chicago Department of Aviation

APPROVED AS TO FORM AND LEGALITY:

By:

Chief Assistant Corporation Counsel

THIS LEASE SHALL NOT BE VALID OR EFFECTIVE FOR ANY PURPOSE UNLESS AND UNTIL IT IS SIGNED BY THE CITY AND REVIEWED AND APPROVED BY THE CITY'S LAW DEPARTMENT.

# AIRLINE:

AMERICAN AIRLINES, INC., a Delaware corporation

By: \_\_\_\_\_\_ Name: \_\_\_\_\_\_ Title: \_\_\_\_\_

.

# **ATTEST:**

By:			
Name:			
Title:			

Airline's Illinois agent for service of process:

Print Name: \_\_\_\_\_ Print Address: \_\_\_\_\_

\_\_\_\_\_

Title:	
#### EXHIBIT A

#### **BASE RENT**

(a) Base Rent, during the initial Term, shall be payable at a rate of Two and 25/100 Dollars (\$2.25) per square foot per Lease Year, and otherwise calculated in accordance with the definition for "Base Rent" as described in <u>Article 1</u> of the Lease.

(b) Base Rent shall be payable at a rate of Two and 36/100 Dollars (\$2.36) per square foot per Lease year during the First Extended Term and at a rate of Two and 48/100 Dollars (\$2.48) per square foot per Lease year during the Second Extended Term.

#### **EXHIBIT B-1**

#### **LEGAL DESCRIPTION OF PREMISES**

# (TO BE INSERTED UPON COMPLETION OF DESIGN AND SURVEY WORK)

# EXHIBIT B-2

#### **DEPICTION OF PREMISES**



#### EXHIBIT C

#### **PROJECT PROCEDURES**

#### 1. <u>Project Description</u>

Prior to performing any work for improvements to the Premises (a "**Project**"), Airline shall provide the Commissioner with a written description of the work to be performed, including drawings, plans, and specifications, the estimated cost to complete, and the proposed work schedule.

#### 2. <u>Airline Coordination with the City</u>

(a) Airline shall designate a "**Project Manager**" who shall manage and coordinate the work. The City shall direct all communications regarding the work to the Project Manager.

(b) The Commissioner shall designate a "Work Liaison" to represent the City in all matters relating to the performance of the work and to constitute the point of receipt for all submittal, unless expressly specified otherwise herein. In all provisions of this Exhibit in which the City's written approval or consent is required, such approval or consent must be that of the Work Liaison, unless Airline is notified in writing by the Commissioner otherwise. Any approval or consent by the Work Liaison hereunder shall not create any liability on the City, in whole or in part, for the professional or technical accuracy of Airline's work. The Commissioner shall be the final arbiter of any decision to be made or consent or approval to be given under this Exhibit. The Work Liaison shall further assist Airline in coordinating Airline's work with other projects and operations at the Airport and in Airline's contacts with any Federal, State, or local government agencies.

#### 3. <u>Standard of Performance</u>

Airline shall perform, or cause to be performed, all work on the Project with that degree of skill, care and diligence normally exercised by professionals performing equivalent work in projects of a scope and magnitude comparable to the work hereunder.

Airline shall further perform, or cause to be performed, all work hereunder according to those standards for work at the Airport promulgated by CDA, FAA, and any other interested Federal, State, or local governmental units, including, without limitation, any Airport Design and Construction Standards.

Airline shall further require its Contractors to perform all work required of them in accordance with the above standards and in a safe, efficient, good, and workmanlike manner. Airline shall require its Contractors to replace all damaged or defective work. Subject to the terms and conditions stated herein, Airline shall replace or correct such work not so corrected or replaced by any Contractor, or shall cause such work to be replaced or corrected by another Contractor, and thereafter shall prosecute, or shall assign its rights to so prosecute to the City upon reasonable request therefor, any and all claims it may have against Contractors for failure by Contractors to comply with the standards of performance imposed upon them in the contracts and hereunder.

In the event Airline or its Contractors fail to comply with the above-referenced standards, Airline shall perform again, or cause to be performed again, at its own expense, any and all work which is required to be re-performed as a direct or indirect result of such failure. Notwithstanding any review, approval, acceptance, or payment for any and all of the work by the City, Airline shall remain solely and exclusively responsible for the technical accuracy of all of the work, as defined herein and furnished

under this Lease. This provision shall in no way be considered as limiting the rights of the City against Airline or its Contractors, either under this Lease, at law, or in equity.

- 4. <u>Requirements for Work</u>
  - (a) Project Planning, Design, and Fabrication Phase:

Airline shall submit, or cause to be submitted, at 30%, 60% and 90% design proposed drawings, plans, and specifications for review and comment by the Work Liaison. Airline to Provide Information:

Prior to the commencement of any work, and thereafter as often as reasonably required to provide the Work Liaison with current and complete information about the work, Airline shall submit to the Work Liaison initial and updated construction schedules (which shall be reviewed by the Work Liaison for their impact and relation to other projects or operations at the Airport) indicating the proposed and/or actual sequence of all work, and the estimated date of completion of the work under each of Airline's contracts.

- (b) Installation, Construction, Start-Up, and Testing Phase:
  - (i) The Work Liaison shall have the right to monitor the work to assure that the Project is installed and constructed in conformity with the approved drawings, plans and specifications, and in accordance with the applicable standards therefor, to the extent that the monitoring does not interfere with the construction.

#### 5. <u>Performance and Payment Bonds</u>

Airline shall require each of its Contractors performing construction at or related to the Airport to post a performance and payment bond in the value of the construction work to be performed under its construction contract. Such bonds shall comply with the provisions of 30 ILCS 550/1, as amended, and Section 2-921-030 of the Chicago Municipal Code. Protection of FAA Facilities

If trenching, jacking of pipe or casing, excavation for pavements or structures, site grading, and vehicular traffic over earth areas will occur over, around and under FAA facilities such as equipment houses, direct buried cables, and duct banks, all possible steps must be taken to ensure their integrity throughout the period of construction activity.

The Contractor shall notify the Commissioner at least seventy-two (72) hours prior to any excavation in the vicinity of FAA cables or ducts to arrange for a joint walking tour with cable location equipment to identify precisely such cables and locations in order to assure the preservation of their vital functions during construction.

6. <u>Protection of Utilities</u>

(a) The Contractor shall take suitable care to protect and prevent damage to all utilities from its operations on the Airport.

(b) When performing work adjacent to existing sewers, drains, water and gas lines, electric or telephone or telegraph conduits or cables, pole lines or poles, or other utility equipment or structures which are to remain in operation, the Contractor shall maintain such utility equipment and

structures in place at its own expense and shall cooperate with the City department, utility company or other party owning or operating such utility equipment or structures in the maintenance thereof.

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

#### 7. General Conditions

Airline shall conduct any work, or cause such work to be conducted by its contractors, in accordance with those standards for construction operations at the Airport set forth in the City's "General Conditions" dated January 1, 1997, as may be revised, including, without limitation, Articles VI, XIV, XV and XIX.

#### EXHIBIT D

#### **AMORTIZATION SCHEDULE**

#### (TO BE INSERTED UPON CONFIRMATION OF ALL PROJECT COSTS)

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D-I

#### **EXHIBIT E**

#### FORM OF INSURANCE CERTIFICATE (07/13)

Ineus Date

		INSURANCE CERT	IFICATE OF COVERAGE	
			Specification #:	<u></u>
			REP#:	
	(NUMBER &	STREET)	Project #:	
(CITY)	(STATE)	(ZIP)	Contract #:	
ion of MLocation			· · · · · · · · · · · · · · · · · · ·	
1	(CITY)	(NUMBER & (CITY) (STATE) ion of n/Location	(NUMBER & STREET) (CITY) (STATE) (ZIP) con of nLocation	(NUMBER & STREET) Project #:

The insurance policies and endorsements indicated below have been issued to the designated named insured with the policy limits as set forth herein covering the operation described within the contract involving the named insured and the City of Chicago. The Certificate issuer agrees that in the event of cancellation, non-renewal or material change involving the indicated policies, the issuer will provide at least sudy (80) days prior written notice of such change to the City of Chicago at the address shown on this Certificate. This certificate is issued to the City of Chicago in consideration of the contract entered into with the named insured, and it is mutuality understood that the City of Chicago relies on this certificate as a basis for continuing such agreement with the named insured,

Type of Insurance	Insurer Name	Policy Number	Expiration Date	Limits of Liability All Limits in Thousands
mercial General Liability  Cocurrence  Premise-Operations  Explosion/Collapse Underground  Products/Completed Operations  Blanket Contractual  Broad Form Property Demage Independent Contractors  Personal Injury				Each Occurrence <u>\$</u> General Aggregate <u>\$</u> Products/Completed Operations Aggregate <u>\$</u>
Pollution Automobile Liability (Any Auto) Excess Liability Unbretia Liability				Each Occurrence \$ Each Occurrence \$
Workers' Compensation and Employer's Liability				Statutory/Illinois Employers Liability \$ Amount of
Builders' Risk/Course of Construction Professional Liability				Contract \$
Owner Contractors Protective Other	······			5

a) Each insurance policy required by this agreement, except policies for workers' compensation and professional liability, will read:

"The City of Chicago is an additional insured as respects to operations and activities of, or on behalf of the named insured, performed under contract with or permit from the City of Chicago".

b) The General, Automobile and Excess/Umbrella Liability Policies described provide for separation of insureds applicable to the named insured and Ihe City.

Workers Compensation and Property insurer shall waive all rights of subrogation egainst the City of Chicago.
 The receipt of this cartificate by the City does not constitute agreement by the City that the insurance requirements in the contract have been fully met, or that the insurance companies indicated by this cartificate are in compliance with all contract requirements

Name and Address of Certificate Holder and Recipient of Notice			
Certificate Holder/Additional Insured	Signature of Authorized Rep.		
City of Chicego	Agency/Company		
Dept. of Procurement			
121 North LaSslie Street, Room 403 Chicago, IL: 60602	Address		
	Telephone		

FOR CITY USE ONLY

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#### EXHIBIT F

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[INTENTIONALLY OMITTED]

#### EXHIBIT G

#### FORM OF TERM COMMENCEMENT CONFIRMATION

Landlord: 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")

Airline: \_\_\_\_\_\_, a \_\_\_\_\_ ("Airline")

This Term Commencement Confirmation (this "**Confirmation**") is made by the City and Airline pursuant to that certain Gate Ground Lease Agreement dated as of \_\_\_\_\_\_, 20\_\_\_\_ (the "Lease") for the Premises demised thereunder, all on the terms and conditions set forth therein, as modified hereby. This Confirmation is made pursuant to <u>Subsection 3.1</u> of the Lease.

1. <u>Commencement Date; Expiration Date</u>. The Commencement Date under <u>Section 4.2</u> the Lease shall be and is hereby established and confirmed as \_\_\_\_\_\_, 20\_\_\_; the Expiration Date under <u>Article 1</u> of the Lease shall be and is hereby established and confirmed as \_\_\_\_\_\_, 20\_\_\_.

2. <u>Base Rent</u>. Base Rent during the initial Term of the Lease is hereby established and confirmed as \_\_\_\_\_\_ and \_\_/100 Dollars (\$\_\_\_\_\_\_) per year (calculated by multiplying \$2.25 by \_\_\_\_\_\_ by \_\_\_\_\_), payable in equal monthly installments of \_\_\_\_\_\_ and \_\_/100 Dollars (\$\_\_\_\_\_\_) each, and otherwise in accordance with the terms and provisions of the Lease, and subject to adjustment as provided therein.

3. <u>Acceptance of Premises</u>. Airline has inspected the Premises and affirms that the Premises is acceptable in all respects in its current "as is" condition, subject to the terms and provisions of the Lease applicable thereto.

4. <u>Incorporation</u>. This Confirmation is incorporated into the Lease, and forms an integral part thereof. This Confirmation shall be construed and interpreted in accordance with the terms of the Lease for all purposes. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Lease.

IN WITNESS WHEREOF, the City has caused this Confirmation to be executed on its behalf by the Commissioner of the City's Department of Aviation, pursuant to due authorization of the City Council, and Airline has caused this Confirmation to be executed on its behalf by its \_\_\_\_\_\_\_\_\_ and attested by its \_\_\_\_\_\_\_, , 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:

Commissioner Chicago Department of Aviation

#### **AIRLINE:**

AMERICAN AIRLINES, INC., a Delaware corporation

By:			 	
Name:				
Title:				

#### **ATTEST:**

By:	 	 	
Name:	 		
Title:			

THIS CONFIRMATION SHALL NOT BE VALID OR EFFECTIVE FOR ANY PURPOSE UNLESS AND UNTIL IT IS SIGNED BY THE CITY

# CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

#### **SECTION I -- GENERAL INFORMATION**

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

\_\_\_\_American Airlines, Inc.\_\_\_\_\_

#### Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1.  $[\checkmark]$  the Applicant
  - OR

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- [] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest:
- 3. [] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:

B. Business address of the Disclosing Party:	4333 Amon Carter Blvd., MD5675
	Fort Worth, TX 76155

C. Telephone: \_817-931-6415\_\_ Fax: \_\_\_817-967-3111\_\_\_\_ Email: Amanda.Zhang@aa.com\_\_\_\_

D. Name of contact person: \_\_\_\_\_Amanda Zhang\_\_\_\_\_\_

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):

A ground lease between American Airlines and the City that allows American Airlines to construct gates adjacent to Terminal 3, north of the L concourse

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

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

Specification # \_\_\_\_\_N/A \_\_\_\_\_\_ and Contract # \_\_\_\_\_N/A \_\_\_\_\_

#### SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

#### A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party: [] Person [] Limited liability company [] Publicly registered business corporation [] Limited liability partnership  $[\checkmark]$  Privately held business corporation [] Joint venture [] Sole proprietorship [] Not-for-profit corporation [] General partnership (Is the not-for-profit corporation also a 501(c)(3))? [] Limited partnership []Yes []No [] Trust [] Other (please specify)

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

\_\_\_\_Delaware\_\_\_\_\_

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

[**v**] Yes [] No [] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name See attached list	Title	
	······································	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the
		Disclosing Party
American Airlines Group, Inc	4333 Amon Carter Blvd	100%
	MD5675	
	Fort Worth, TX 76155	

#### 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 to the best of Disclosing Party's knowledge after making reasonable inquiry

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

# SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response.
N/A			
(Add sheets if necessary)			

[] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

# **SECTION V -- CERTIFICATIONS**

#### A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[] Yes [] No [1] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[] Yes [] No

# **B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;

• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");

• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;

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

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

# C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[] is [✓] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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 to the best of the Disclosing Party's knowledge after making reasonable inquiry

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<sup>·</sup> [√] No

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

Name	Business Address	Nature of Interest	•

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

#### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to Page 8 of 13

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

 $\checkmark$ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

# SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

#### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement. 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

# B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[]Yes []No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[]Yes []No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[] Yes [] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[]Yes []No

If you checked "No" to question 1. or 2. above, please provide an explanation:

# SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at <u>www.cityofchicago.org/Ethics</u>, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

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

# CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

American Airlines, Inc. (Print or type name of Disclosing Party) Bv: (Sign here)

\_\_\_\_Kenneth W. Wimberly, Jr.\_\_\_\_ (Print or type name of person signing).

\_\_\_Vice President, Deputy General Counsel and Assistant Corporate Secretary\_\_\_\_\_ (Print or type title of person signing)

Signed and sworn to be	fore me on (date	e)2/3/2016	,
atTarrant	County,	Texas	(state).
Carol l	alfr	Notary Pi	ublic.
Commission expires:		<u>^</u>	



#### CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

#### FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

# This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes [1] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

With regard to F.1, F.2, and F.3, the Disclosing Party's answer is as follows:

Due to the Disclosing Party being a very large corporation, the Disclosing Party can only certify such statements to the best of its knowledge after making reasonable inquiry.

#### CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX B

#### BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

- 1. Pursuant to Municipal Code Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to Section 2-92-416 of the Municipal Code?
  - [] Yes [] No
- 2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to Section 2-92-416 of the Municipal Code?
  - [ ] Yes [ ] No [ ] Not Applicable
- 3. If yes to (1) or (2) above, please identify below the name of the person or legal entity identified as a building code scofflaw or problem landlord and the address of the building or buildings to which the pertinent code violations apply.

FILLING OUT THIS APPENDIX B CONSTITUTES ACKNOWLEDGMENT AND AGREEMENT THAT THIS APPENDIX B IS INCORPORATED BY REFERENCE INTO, AND MADE A PART OF, THE ASSOCIATED EDS, AND THAT THE REPRESENTATIONS MADE IN THIS APPENDIX B ARE SUBJECT TO THE CERTIFICATION MADE UNDER PENALTY OF PERJURY ON PAGE 12 OF THE ASSOCIATED ED

#### AMERICAN AIRLINES, INC. 4333 Amon Carter Blvd.

Fort Worth, TX 76155

(Delaware Corporation)

(EIN 13-1502798)

#### **OFFICERS**

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Chief Executive Officer
President
Executive Vice President—People and Communications
Executive Vice President and Chief Operating Officer
Executive Vice President—Corporate Affairs and Assistant Secretary
Executive Vice President and Chief Financial Officer
Executive Vice President and Chief Integration Officer
Executive Vice President and Chief Information Officer
Senior Vice President—Finance
Senior Vice President—Asia, Canada, Europe (ACE) and Cargo
Senior Vice President—Air Operations
Senior Vice President—Revenue Management
Senior Vice President—Regional Carriers
Senior Vice President, General Counsel and Chief Compliance Officer
Senior Vice President and Chief Marketing Officer
Senior Vice President—Customer Experience
Senior Vice President—Technical Operations
Senior Vice President—Alliances and Partnerships
Senior Vice President—Mexico/Caribbean/Latin America (MCLA)
President-Cargo
Vice President—Flight Service
Vice President—Gateways and Hub Coordination
Vice President—Technical Services
Vice President—People and Employee Services
Vice President—Operations Integration
Vice President—Base Maintenance and Engines
Vice President and Corporate Controller
Vice President—IOC
Vice President—Airline Operations Technology
Vice President—Global Communications
Vice President— Hub Operations MIA
Vice President—Global Marketing
Vice President—Digital Channels
Vice President—Customer Technology and Enterprise Architecture
Vice President—Regulatory Affairs
Vice President—Engineering & Quality
Vice President—Technology Infrastructure
Vice President-Reservations
Vice PresidentFinancial Planning and Analysis

W. Douglas Parker J. Scott Kirby Elise R. Eberwein Robert D. Isom, Jr. Stephen L. Johnson Derek J. Kerr Beverly K. Goulet Maya Leibman Keith A. Bush Suzanne F. Boda Timothy P. Campbell Donald B. Casey Kenji C. Hashimoto Paul D. Jones Andrew P. Nocella Kerry F. Philipovitch David G. Seymour **Kurt Stache** Arthur J. Torno James W. Butler Hector E. Adler Timothy J. Ahern Craig A. Barton Loral R. Blinde Kevin R. Brickner William J. Cade Michael R. Carreon Lorne W. Cass Todd L. Christy Ronald J. DeFeo Marilyn J. DeVoe Fernand J. Fernandez John A. Gustafson Daniel P. Henry Howard E. Kass Declan M. Lee Steven D. Leist Timothy M. Lindemann Devon E. May

# AMERICAN AIRLINES, INC. (Cont'd.)

Vice President—Finance	Brian J. McMenamy
Vice President—Government and Airport Affairs	Michael J. Minerva
Vice President—Safety, Security and Environmental Programs	Paul L. Morell
Vice President—Planning and Corporate Technology	Patrick J. O'Keeffe
Vice President—Stations	Donna E.G. Paladini
Vice President— Hub Operations CLT	Terri F. Pope
Vice President—International Revenue Management	Vasu S. Raja
Vice President—Hub Operations PHL	Cedric L. Rockamore
Vice President—Insights and Customer Loyalty	Suzanne L. Rubin
Vice President-Network and Schedule Planning	Charles J. Schubert, III
Vice President—Airport Affairs and Facilities	Timothy K. Skipworth
Vice President—Flight	Captain Kimball Stone
Vice President—Customer Planning	Jill R. Surdek
Vice President—Hubs & Gateways	Joseph Taney
Vice President—Hub Operations ORD	Franco Tedeschi
Vice President and Deputy General Counsel	R. Bruce Wark
Vice President—Fleet Planning	Peter M. Warlick
Vice President, Deputy General Counsel and Assistant Corporate Secretary	Kenneth W. Wimberly, Jr
Vice President and Treasurer	Thomas T. Weir
Vice President—Line Maintenance	Paul N. Wroble
Corporate Secretary	Caroline B. Ray

# DIRECTORS

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W. Douglas Parker, Chairman of the Board J. Scott Kirby Stephen L. Johnson

# CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

#### SECTION I -- GENERAL INFORMATION

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

\_\_\_\_\_American Airlines Group Inc.\_\_\_\_\_

#### Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1. [] the Applicant
  - OR
- 2. [✓] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_American Airlines, Inc.\_\_\_\_\_OR
- 3. [] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:

B. Business address of the Disclosing Party:	4333 Amon Carter Blvd., MD5675
	Fort Worth, TX 76155

C. Telephone: \_817-931-6415 \_\_ Fax: \_\_\_817-967-3111 \_\_\_\_ Email: Amanda.Zhang@aa.com\_\_\_\_

D. Name of contact person: \_\_\_\_\_Amanda Zhang\_\_\_\_\_.

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):

A ground lease between American Airlines and the City that allows American Airlines to construct gates adjacent to Terminal 3, north of the L concourse

G. Which City agency or department is requesting this EDS? \_\_\_\_Department of Aviation\_\_\_\_\_\_

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

Specification # \_\_\_\_\_N/A\_\_\_\_\_ and Contract # \_\_\_\_\_N/A\_\_\_\_\_

# **SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

# A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Par	rty:
[] Person	[] Limited liability company
[✓] Publicly registered business corporation	[] Limited liability partnership
[] Privately held business corporation	[] Joint venture
[] Sole proprietorship	[] Not-for-profit corporation
[] General partnership	(Is the not-for-profit corporation also a 501(c)(3))?
[] Limited partnership	[]Yes []No
[] Trust	[] Other (please specify)

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

\_\_\_\_Delaware\_\_\_\_

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

[] Yes [] No [] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name See attached list	Title

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

NameBusiness AddressPercentage Interest in the<br/>Disclosing PartyThe following sets forth information regarding Beneficial Ownership of Common Stock as of<br/>1/19/2016 for each person known to be a beneficial owner of more than 7.5%

\_ T. Rowe Price, 100 East Pratt Street, Baltimore, Maryland 21202. 13.7%

# 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 to the best of Disclosing Party's knowledge after making reasonable inquiry

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

# SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

• The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response.
N/A			· · · · · · · · · · · · · · · · · · ·
(Add sheets if necessary)			

[] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

# **SECTION V -- CERTIFICATIONS**

#### A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[] Yes [] No [✓] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[] Yes [] No

#### **B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I") (which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;

• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");

• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;

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

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

# C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[] is [**√**] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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 [1] No to the best of the Disclosing Party's knowledge after making reasonable inquiry

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

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

Does the Matter involve a City Property Sale?

[] Yes · [✓] No

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

Name	Business Address	Nature of Interest
		· · · · · · · · · · · · · · · · · · ·

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

#### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to Page 8 of 13

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

 $\checkmark$  1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

# SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

# A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement. 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

# B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[]Yes []No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[] Yes [] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[]Yes []No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[] Yes [] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

# SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at <u>www.cityofchicago.org/Ethics</u>, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

Page 11 of 13

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

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

# CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

American Airlines Group Inc. (Print or type name of Disclosing Party) (Sign here)

\_\_\_\_Kenneth W. Wimberly, Jr.\_\_\_\_ (Print or type name of person signing)

Vice President, Deputy General Counsel and Assistant Corporate Secretary (Print or type title of person signing)

Signed and sworn to	before me on (date)	2/3/2016
atTarrant	County,Texas	(state).
Caril	Laczer	Notary Public.
Commission expires: $11 - 17 - 2019$		



#### CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

#### FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

#### This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes [1] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

With regard to F.1, F.2, and F.3, the Disclosing Party's answer is as follows:

Due to the Disclosing Party being a very large corporation, the Disclosing Party can only certify such statements to the best of its knowledge after making reasonable inquiry.

#### CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX B

#### BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

- 1. Pursuant to Municipal Code Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to Section 2-92-416 of the Municipal Code?
  - [] Yes [1] No
- 2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to Section 2-92-416 of the Municipal Code?
  - [] Yes ['] No [] Not Applicable
- 3. If yes to (1) or (2) above, please identify below the name of the person or legal entity identified as a building code scofflaw or problem landlord and the address of the building or buildings to which the pertinent code violations apply.

FILLING OUT THIS APPENDIX B CONSTITUTES ACKNOWLEDGMENT AND AGREEMENT THAT THIS APPENDIX B IS INCORPORATED BY REFERENCE INTO, AND MADE A PART OF, THE ASSOCIATED EDS, AND THAT THE REPRESENTATIONS MADE IN THIS APPENDIX B ARE SUBJECT TO THE CERTIFICATION MADE UNDER PENALTY OF PERJURY ON PAGE 12 OF THE ASSOCIATED EDS.

# AMERICAN AIRLINES GROUP INC. 4333 Amon Carter Blvd.

Fort Worth, TX 76155

(Delaware Corporation)

#### **OFFICERS**

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Executive Vice President—People and Communications	Elise R. Eberwein*
Executive Vice President and Chief Operating Officer	Robert D. Isom, Jr.*
Executive Vice President—Corporate Affairs and Assistant Secretary	Stephen L. Johnson*
Executive Vice President and Chief Financial Officer	Derek J. Kerr*
Executive Vice President and Chief Integration Officer	Beverly K. Goulet*
Executive Vice President and Chief Information Officer	Maya Leibman*
Senior Vice President, General Counsel and Chief Compliance Officer	Paul D. Jones
Vice President and Corporate Controller	Michael R. Carreon
Vice President, Deputy General Counsel and Assistant Corporate Secretary	Kenneth W. Wimberly, Jr.
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\*Section 16 Officer