



# Office of the City Clerk

City Hall  
121 N. LaSalle St.  
Room 107  
Chicago, IL 60602  
www.chicityclerk.com

## Legislation Text

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## CITY COUNCIL

**City of Chicago council chamber**

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### COMMITTEE MEMBERSHIPS

Aviation (Chairman)

Budget & Government Operations

Health & Environmental Protection

Rules & Ethics

Economic, Capital & Technology Development

Workforce Development & Audit

Finance

**November 26, 2013**

**To the President and Members of the City Council:**

Your Committee on Aviation begs leave to report and recommend that your Honorable Body pass the proposed ordinances transmitted herewith.

A meeting was held on November 22, 2013 in Room 201A at City Hall to consider two ordinances:

1. **02013-8554 Amendment to Midway International Airport use**
  1. **agreement and facilities lease** Emanuel (Mayor)
  2. **SO2013-7622 Substitute Ordinance - Facilities lease and use**
  2. **agreement with Signature Flight Support Corp. at Midway International**

2. Airport

Emanuel (Mayor)

Chairman  
Committee on Aviation

Both ordinances were passed unanimously by a viva voce vote of the members.

SUBSTITUTE

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of local government as defined in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, and, as such, may exercise any power and perform any function pertaining to its government and affairs;

WHEREAS, the City owns and operates, through its Chicago Department of Aviation ("CDA"), an airport commonly known as Chicago Midway International Airport (the "Airport") and possesses the power and authority to lease premises and facilities and to grant rights and privileges with respect thereto; and

WHEREAS, the City and Signature Flight Support-Midway, Inc. ("Signature-Midway") entered into a First Amended and Restated Facilities Lease and Use Agreement dated June 4, 1997 ("1997 Agreement") for the lease of various premises at the Airport; and

WHEREAS, the 1997 Agreement was further amended, but not restated, in January 1998, to add Signature as Co-Lessee ("1998 Amendment"); and

WHEREAS, subsequent to the 1998 Amendment, Signature-Midway was merged into Signature so that Signature-Midway no longer exists as a separate company, and Signature has been performing fixed base operator services at the Airport since that time; and

WHEREAS, subsequent to the 1998 Amendment, the City notified Signature that it was converting the term of the lease with respect to the former Chicago Fire Department facility referred

to in the 1997 Agreement as Parcel 2(a) to month-to-month; and

WHEREAS, subsequent to the 1998 Amendment, Signature returned to the City (for use by Southwest Airlines) the premises located at 5000 West 63<sup>rd</sup> Street and the premises located at 5036 West 63<sup>rd</sup> Street in exchange for use of other Airport premises located at 5901 South Central Avenue; and

WHEREAS, the premises located at 5713 South Central Avenue have been leased to Aon Corporation for use as a corporate aircraft hangar and Aon Corporation and the City desire to terminate that lease, and Signature and the City desire to add those premises to Signature's leasehold; and

WHEREAS, rather than further amend and restate the 1997 Agreement to reflect the foregoing changes over time, the City and Signature desire to enter into a new agreement ("Agreement") and to terminate the 1997 Agreement upon the commencement of the new Agreement; and

WHEREAS, the City desires that the Mayor, upon recommendation of the Commissioner of CDA ("Commissioner"), have the authority to execute such Agreement; 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 herein.

SECTION 2. The Mayor or his proxy, upon recommendation of the Commissioner, is hereby authorized to execute an Agreement with Signature in substantially the form attached hereto as Exhibit 1.

SECTION 3. The Commissioner and other City officials are further authorized to enter into and to execute all documents and perform any and all acts, including promulgation of any standards, rules or regulations, as shall be necessary or advisable to carry out the purpose and intent of this ordinance.

SECTION 4. The Commissioner is hereby authorized to terminate the lease with Aon Corporation for the premises located at 5713 South Central Avenue.

SECTION 5. To the extent that any ordinance, resolution, rule, order or provision of the City, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 6. This ordinance shall be in full force and effect from the date of its passage and approval.

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AIRPORT**

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**FACILITIES LEASE AND USE AGREEMENT BETWEEN CITY  
OF CHICAGO AND SIGNATURE FLIGHT SUPPORT  
CORPORATION AT CHICAGO MIDWAY INTERNATIONAL  
AIRPORT**

This Facilities Lease and Use Agreement ("Agreement") is made and entered into effective as of the        day of        , 2013 ("Effective Date"), by and between the City of Chicago, an Illinois municipal corporation and home rule unit of local government under Sections 1 and 6(a), respectively, of Article VII of the 1970 Constitution of the State of Illinois ("City") and Signature Flight Support Corporation, a Delaware corporation ("Signature").

**RECITALS**

WHEREAS, the City owns and, through its Chicago Department of Aviation ("CDA"), operates that certain airport known as Chicago Midway International Airport ("Airport"); and

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

WHEREAS, the City and Signature Flight Support-Midway, Inc., a former Illinois corporation ("Signature-Midway") entered into a First Amended and Restated Facilities Lease and Use Agreement dated June 4, 1997 ("1997 Agreement") for the lease of various premises at the Airport; and

WHEREAS, the 1997 Agreement was further amended (but not restated) in January, 1998, to add Signature as Co-Lessee ("1998 Amendment"); and

WHEREAS, subsequent to the 1998 Amendment, Signature-Midway was merged into Signature so that Signature-Midway no longer exists as a separate company, and Signature has been performing fixed base operator services at the Airport since that time; and

WHEREAS, subsequent to the 1998 Amendment, a new fuel distribution system was installed at the Airport in connection with the Midway Airport Terminal Development Program, and Signature no longer has need for separate fuel storage facilities as contemplated in the 1997 Agreement, including

but not limited to the use of the fuel storage facilities on the parcel referred to in the 1997 Agreement as Parcel 1; and

WHEREAS, subsequent to the 1998 Amendment but prior to June 3, 1999, the City notified Signature that it was converting the term of the lease with respect to the former Chicago Fire Department facility referred to in the 1997 Agreement as Parcel 2(a) to month-to-month; and

### **Exhibits**

Exhibit A - Premises

Exhibit B - Rent Schedules and Security Deposit Exhibit C - Requirements for Work Exhibit D - Insurance Requirements



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WHEREAS, subsequent to the 1998 Amendment, Signature returned to the City (for use by Southwest Airlines) the premises located at 5000 West 63<sup>rd</sup> Street (referred to in the 1997 Agreement as Parcel 4) and the premises located at 5036 West 63<sup>rd</sup> Street (referred to in the 1997 Agreement as Parcel 4A) in exchange for use of other Airport premises located at 5901 South Central Avenue; and

WHEREAS, Section 4.01 (D) of the 1997 Agreement contained an inaccurate description of the calculation of the Minimum Annual Guarantee component of Rent that the parties desire to clarify; and

WHEREAS, the rent credit for capital improvements pursuant to Section 4.04 of the 1997 Agreement has since expired; and

WHEREAS, the premises located at 5713 South Central Avenue have been leased to Aon Corporation for use as corporate aircraft hangar, Aon Corporation and the City desire to terminate that lease, and Signature and the City desire to add those premises to Signature's leasehold; and

WHEREAS, the parties agree that, rather than further amend and restate the 1997 Agreement to reflect the foregoing changes over time, it would be less confusing to enter into this new Agreement and terminate the 1997 Agreement upon the commencement of this Agreement; and

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

NOW, THEREFORE, for and in consideration of use of the premises by Signature and payment of rent to the City, and the other promises, mutual covenants and agreements herein contained, and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

## ARTICLE I - DEFINITIONS

Section 1.01 - Definitions. The following words, terms, and phrases, shall, for the purposes of this Lease, have the following meanings:

"Abandonment" or "Abandons" means the cessation of the use of the Premises by Signature in accordance with this Agreement, other than for reasons of strikes or force majeure, for a period of ninety (90) days.

"Affiliate" means a person controlling, controlled by, or under the common control of or in partnership or in other active business with Signature.

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

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

"Airport Rules and Regulations" means those rules and regulations governing the conduct and operations of the Airport promulgated from time to time by City as identified in Section 7.07 hereof.

"Airport Security Acts" means the Aviation and Security Improvement Act of 1990 (P.L. 101-604), as amended, the Aviation and Transportation Security Act of 2001, as amended, and all other federal laws governing security at airports, all as codified at 49 U.S.C. 44901 etseq., including any rules, regulations, and directives promulgated and issued pursuant to them.

"Building Rent" is defined in Section 4.01 herein.

"Commissioner" means, for the purposes of this Agreement, the Commissioner of the CDA (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), or such person as she or he may designate in writing, or any successor to her or his rights and duties.

"Default Rate" means the annual rate of four percent (4%) plus the Prime Rate (hereinafter defined), unless a lesser interest rate shall then be the maximum rate permissible by law with respect thereto, in which event said lesser rate shall be the Default Rate. Changes in the Default Rate based on the Prime Rate shall take effect immediately upon the occurrence of a change in the Prime Rate. As used herein, the term "Prime Rate" at any time shall mean the rate of interest then most recently announced by Chase Bank or its successors at Chicago, Illinois as its "corporate base rate." A certificate made by an officer of Chase Bank stating the "corporate base rate" in effect on any given day shall, for the purposes hereof, be conclusive evidence of the Prime Rate in effect on such day. In the event Chase Bank ceases to use the term "corporate base rate" in setting the base rate of interest for commercial loans, then the Prime Rate herein shall be determined by reference to the rate used by Chase Bank as a base rate of interest for commercial loans as the same shall be designated by Chase Bank. In the event Chase Bank ceases to exist, then the Prime Rate herein shall be determined by reference to the rate used by a lender qualified to be an Institutional Leasehold Mortgagee in Chicago, Illinois, selected by City, as a base rate of interest for commercial loans, as the same shall be designated by such lender.

"Effective Date" means the date first set forth above.

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"Environmental Condition" is defined in Section 7.08 herein.

"Exempt Transfer" means an agreement between Signature and its patron(s) for aircraft parking, hangar space and office space which is extended by Signature to its patron(s) in the ordinary course of Signature's fixed base operator business and which does not include more than 12,000 square feet of space nor extend beyond one year in its term, including any extensions or options to renew, or any sale of Signature stock which does not result in a change in control of Signature.

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

"Fuel System" means the Airport fueling system operated by the consortium of airlines serving the Airport known as "MATCO", or any successor thereto.

"Ground Rent" is defined in Section 4.01 herein.

"Improvements" means any structures or other improvements on the Premises, including hangars, aircraft parking apron or ramp and, except as otherwise provided herein, all fixtures now or hereafter located thereon.

"Landing Fees" are defined in Section 4.03 herein.

"Minimum Annual Guarantee" is defined in Section 4.01 herein.

"Percentage Rent" is defined in Section 4.01 herein.

"Pre-Existing Condition" is defined in Section 7.08 herein.

"Premises" is defined in Section 2.01 herein.

"Rent" means, unless the context specifically otherwise requires, Ground Rent, Building Rent, Percentage Rent (or Minimum Annual Guarantee, as applicable), Landing Fees and any other amount which Signature is obligated to pay under this Agreement.

"Signature" means Signature Flight Support Corporation, a corporation duly organized and existing under the laws of the State of Delaware and the lessee of the Premises, or its authorized successors or assigns. Signature Flight Support Corporation is fully responsible for any obligations or liabilities of its former subsidiary, Signature Flight Support-Midway, Inc., arising in connection with this Agreement

or in connection with the 1997 Agreement.

"Sustainable Airport Manual" or "SAM" means the manual developed by the CDA regarding environmentally sustainable practices in the construction and operation of the

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Airports. The manual is available on the CDA website and may be updated from time to time by the CDA. Any amendment of the SAM by the CDA during the Term of this Agreement will be binding on Tenant without need for amendment of this Agreement, provided that the amendment of SAM does not conflict with the other terms and conditions of this Agreement.

"Transfer" is defined in Section 14.01 herein.

"Transportation Security Administration" (sometimes abbreviated as "TSA") means the Transportation Security Administration created under the Aviation and Transportation Security Act of 2001, as amended, or any successor agency thereto.

"Work" means the furnishing by Signature of all labor, materials, equipment, and other incidentals necessary or convenient to the successful completion of Improvements made by Signature from time to time, and the carrying out of all the duties and obligations under the terms and conditions of this Agreement.

"Work Liaison" means the person designated by the Commissioner to coordinate activities between Signature and the City.

Section 1.02 - Interpretation. Any headings preceding the text of the Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction, or effect of this Agreement. The term "including" shall be construed to mean "including, without limitation ...." Unless the context otherwise requires, the terms "hereby," "herein," "hereof," "hereto," "hereunder" and any similar terms used in this Agreement refer to this Agreement; all section references, unless otherwise expressly indicated, are to sections of this Agreement; words importing persons shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public bodies, as well as natural persons. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa, unless the context shall otherwise indicate. All references to any exhibit or document shall be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms and conditions hereof and thereof. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights, duties, and obligations of such persons or entities in accordance with the terms and conditions of this Agreement. All references to a number of days shall mean calendar days, unless otherwise expressly indicated.

Section 1.03 - Incorporation of Exhibits. The following exhibits attached hereto are incorporated by

reference and made a part of this Agreement:

Exhibit A - Premises  
Exhibit B - Rent Schedules and Security Deposit

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Exhibit C - Requirements for Work Exhibit D -  
Insurance Requirements

## ARTICLE II - LEASE OF PREMISES

Section 2.01 - Premises. As of the Effective Date, City leases to Signature, and Signature leases from City, the parcels of land ("Land") depicted on Exhibit A, together with the Improvements located thereon (the Land and Improvements being collectively referred to as the APremises"), all located on the east side of Central Avenue on Airport property. For purposes of clarity and information, the following is a brief description of the various parcels by street address, starting at the north end of the Premises:

- 5713 South Central Avenue, is a corporate hangar originally constructed by Beatrice Corporation, and prior to the Effective Date it was leased by Aon Corporation.
- 5821 South Central Avenue, is an FBO hangar previously leased by Signature's predecessor, Butler Aviation-MDW, Inc. ("Butler").
- 5825 South Central Avenue, is a former City of Chicago Fire Department facility.
- 5901 South Central Avenue, is a former Amoco Corporation corporate hangar.
- 5923 South Central Avenue and 5943 South Central Avenue, were formerly leased to Monarch Air Services, Inc. as FBO hangars.

Section 2.02 - Adjustment of Area of Premises. City shall have the right to re-measure the Premises, or any portion thereof, at any time during the Term of this Agreement upon the occurrence of any circumstances, including but not limited to the construction or alteration of Improvements and modifications to taxiways, taxilanes and service roads, that may, in the opinion of the Commissioner, warrant a re-measurement of the Premises. Any change in the square footage of the Premises resulting from such a re-measurement and any corresponding change in Rent resulting therefrom, shall be indicated on the applicable exhibits hereto without the necessity of an amendment to this Agreement.

### Section 2.03 - Easements and Rights of Entry.

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

B. Signature acknowledges that there currently exist, and that City may grant in the future, easements and rights of entry on, over and/or under the Premises for the benefit of suppliers and/or owners of utilities that service the Airport, and Signature hereby consents

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to any such easements or rights of entry whether now in existence or granted during the term of this Agreement.

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

D. The City hereby reserves such rights and such easements as may be necessary to enter onto the Premises for the purpose of conducting any operations related to the function of the Airport without such entering causing or constituting a termination of this Agreement, including, without limitation, the right to do all things necessary to operate and maintain water mains, sewer mains and other utilities that may exist beneath the surface of the Premises and to service any antennas or communications facilities now or hereafter located on the roofs of buildings located on the Premises. (The City shall operate and maintain only its water mains and sewer mains, and assumes no responsibility or liability for the operation or maintenance of any sewer or water laterals within the Premises that are used exclusively by Signature.) The City, its officers, employees, agents, representatives, contractors, and furnishers of utilities and other services, shall have the right at all reasonable times to enter the Premises for the purpose of inspecting the same, for emergency repairs to utilities systems, and for any other purpose necessary for, incidental to, or connected with the performance of City's obligations hereunder, or in the exercise of its governmental functions.

E. City agrees to use reasonable efforts to not unreasonably interfere, or to cause grantees of easements not to unreasonably interfere, with Signature's use and possession of the Premises when exercising any of the rights reserved under this Section 2.03.

Section 2.04 - Permitted Uses (Mandatory and Discretionary). Subject to the terms and provisions contained in this Agreement, all applicable rules, regulations, laws, ordinances, codes and orders of any federal, state or local government or subdivision thereof in connection with the conduct of aeronautical activities by Signature at the Airport, Signature is hereby granted the use of the Premises for the following purposes:

A. Primary (Mandatory) Commercial Support Services. Signature must perform the following enumerated services at the Airport to support general aircraft operating at the

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Airport and other Airport users soliciting from Signature any of the services usually supplied by a fixed base operator. Signature shall perform its services in accordance with those minimum standards as may be established by the Commissioner pursuant to FAA Circular No. 150/5190-7, "Minimum Standards for Commercial Aeronautical Activities", as it may be amended from time to time, and such other rules and regulations as may be promulgated by the Commissioner from time to time. Signature shall staff qualified personnel to perform such services on a "24/7" basis unless otherwise determined by the Commissioner in writing.

1. Arrival and departure guidance, supervision of parking of aircraft, ramp assistance and fire guard service for departing aircraft, as required.
2. Transport for passengers, crew and ordinary hand baggage between aircraft and Signature's hangar(s) or public passenger terminals on the Airport.
3. Flight line servicing of aircraft, including the sale and into-plane delivery of aviation fuels, lubricants and other related aviation products.
4. Other aircraft services, such as window cleaning, as requested by the aircraft operators.
5. Customer terminal services, including:
  - a. Assisting aircraft passengers and crew in obtaining local transportation, lodging, and general information on the Chicago area;
  - b. Maintaining weather teletype service or similar means of conveying current weather information;
  - c. Conveying messages to arriving or departing passengers and crew using Signature's facilities; and
  - d. Providing a reasonable quantity of telephones for public use.
6. At least one specialized area of airframe, aircraft engine, radio, avionics repair or other specific type of aircraft repair or maintenance service, which specialized area Signature may choose at its discretion, and which service Signature may provide through a subcontractor, provided that the use of a subcontractor, and the subcontractor to be so used, are subject to the prior written approval of the Commissioner, which consent shall not be unreasonably withheld. Signature shall provide prompt notice of the nature of such services, or any changes thereto, to the Commissioner. The Commissioner hereby consents to the subcontract of aircraft maintenance services to Flight Check Business Aviation Services, LLC.
7. Subject to any restrictions on Transfers which may arise under the terms and conditions of Article XIV hereof, making available hangar and aircraft tie-down space and parking space

to aircraft owners and/or operators.

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

9. Removal of disabled general aviation aircraft from the operational movement areas of the Airport. Signature must have equipment available at the Airport to remove and relocate any type of aircraft that Signature services within 30 minutes (or as soon thereafter as reasonably practicable) of it becoming disabled, other than those involved in an accident requiring investigation by federal authorities.

10. Remediation of any fuel spills or other environmental contamination caused by Signature or any of its customers. Signature must have equipment available at the Airport to commence such remediation for any type of aircraft that Signature services within 30 minutes (or as soon thereafter as reasonably practicable) of the event.

11. If requested by the Commissioner, and subject to the terms and conditions of Section 16.02 hereof, collection of landing fees on behalf of the City from any or all users of the Premises and remittance of such landing fees to the City for an administrative fee of not more than thirty percent (30%) of the landing fees payable by such users to the City and collected by Signature. The City reserves the right to revoke any authority granted to Signature to collect any landing fees pursuant to this Section 2.04.A.10 at any time upon thirty (30) days written notice to Signature.

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

1. Leasing or rental of aircraft or providing air charter, air freight or flight management services;
2. Sale and installation of aircraft parts, engines, radios, avionics equipment or instruments, propellers or any related parts or accessories;
3. Repair and maintenance services for aircraft and aircraft engines, their components and accessories, including executive jet aircraft;
4. Providing equipment and manpower in connection with passenger, baggage or freight handling, or any other ground services;
5. Sale of airman materials and supplies, and other aeronautical items;
6. Leasing or rental of desks, storage or any equipment in connection with the conduct of aviation-related activities;



7. Maintenance and repair of ramp vehicles;
8. Associated aviation customer services not otherwise mandated under Section 2.04.A.

C. Additional Rights. In addition to the above-described responsibilities and rights, and subject to the approval of the Commissioner, Signature shall have the right to perform and conduct such other activities and operations consistent with the rights, privileges and responsibilities granted to Signature which do not unreasonably interfere or conflict with the rights granted by the City to others on the Airport, but no flight training may be conducted in which student pilots take off or land at the Airport, or use the Airport for any flight activities whatsoever.

D. Rights to Airfield and Other Public Areas of the Airport. Signature has the right to use, in common with others, the public facilities at the Airport, including, but not limited to, landing areas, runways, taxiways, taxilanes and other aeronautical or navigational facilities, subject to the rules and regulations with respect to the use of such facilities imposed by the City or any other governmental agency.

E. Restrictions on Use. Nothing stated in this Section 2.04 shall permit the conduct by Signature of any business other than the performance of fixed base operator services, and the activities described in this Section 2.04 and those related and incidental thereto.

F. Ground Handling Services. The Commissioner hereby consents to Signature's performance of ground handling services for commercial airlines through its affiliated company, Aircraft Service International, Inc. In the event that Signature desires to perform any ground handling services through any other entity, Signature shall only do so after obtaining the prior written consent of the Commissioner, such consent to be given or withheld in each case in the sole and absolute discretion of the Commissioner; provided, however, in an emergency situation, oral approval or consent of the Commissioner shall be sufficient. For the purposes of this Agreement, ground handling services include, but are not limited to, the handling of passengers of commercial or retail flights, including those situations in which traffic at the Airport may prevent the handling of such passengers at the terminal. In the event that the Commissioner approves the handling of retail passenger operations on the Premises, Signature shall provide shuttle services to the terminal for such passengers. In no event shall this provision be construed as permitting retail passenger operations by Signature other than the incidental handling of passengers in irregular operation situations. Nothing in this Section 2.04 shall be construed as limiting Signature's right to provide ground handling services to single entity specialty charters, including, but not limited to, sports teams and musical groups, which do not require passenger check-in, baggage, security or other facilities provided at the Airport's commercial passenger terminal.

G. Fuel System. Signature agrees to use the Airport Fuel System for all aviation fuel. Signature shall not at any time during the Term of this Agreement or any extension thereof

construct or install any aviation fuel storage facilities on or beneath the Premises without the express prior written consent of the Commissioner, such consent being within the Commissioner's sole and absolute discretion. Signature hereby acknowledges and agrees that Fuel System usage fees that are 125% or less of those fees charged to commercial airline signatories to the Chicago Midway Airport Fuel System Use and Operating Agreement by and between the City and those signatory airlines are reasonable fees.

Section 2.05 - First-Class Operation. The principal purpose of the City in entering into this Agreement is to fulfill the City's obligation to make available to the general aviation users of the Airport the products and services which Signature is required and/or permitted to sell and render hereunder. Signature accordingly agrees to conduct a first class commercial aviation support and fixed base operation, consisting of the primary support services listed in Section 2.04.A above. Signature agrees to provide and maintain a hangar and office/terminal complex with the facilities, equipment, supplies, materials and personnel necessary to adequately provide the sales and services authorized in this Agreement, including a lounge or waiting room for passengers and crews, and accessible restrooms, all to be maintained in a first-class, clean and sanitary manner in accordance with Article V of this Agreement.

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

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

Section 2.08 - Present Condition of Premises. Subject to those exceptions explicitly set forth in Section 7.08, Signature, by the execution of this Agreement, accepts the Premises "AS IS". Signature shall be responsible for the compliance of the Premises with all applicable Federal, State, and local laws, statutes, codes, ordinances, rules, regulations, and orders, including any and all requirements set forth in Section 7.08. Other than what may be explicitly provided for herein, the City shall have no obligation or responsibility whatsoever to do any work or furnish any improvements of any kind to the Premises or perform any maintenance or repairs on the Premises. City makes no warranty as to the environmental conditions of the Premises or the airfield. CITY MAKES NO WARRANTY,

EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES OR THAT THE PREMISES SHALL BE SUITABLE FOR SIGNATURE'S PURPOSES OR NEEDS. CITY SHALL NOT BE RESPONSIBLE FOR ANY LATENT DEFECT AND SIGNATURE SHALL NOT, UNDER ANY CIRCUMSTANCES, WITHHOLD ANY RENT OR OTHER AMOUNTS PAYABLE TO CITY HEREUNDER ON ACCOUNT OF ANY DEFECT IN THE PREMISES. BY ITS ENTRY ONTO THE PREMISES, SIGNATURE ACCEPTS THE PREMISES AS BEING FREE AND CLEAR FROM ALL DEFECTS AND IN GOOD, SAFE, CLEAN, AND ORDERLY CONDITION AND REPAIR. Signature waives any and all claims against the City regarding the condition of the Premises which may currently exist or which may arise in the future by contract, at common law, in equity, or under statute, now or then currently in effect, including those which relate to environmental conditions on, under, or near the Premises; provided, however, that such waiver does not extend to (i) Signature's right to contribution from the City as may be provided under any Environmental Law, and (ii) fines and penalties for which the City would be liable, and neither Signature nor its predecessors in interest would be liable, under any Environmental Law.

Section 2.09 - Accessibility. City and Signature agree that Signature shall have the responsibility to ensure that the Premises and the services that Signature provides to its customers are in compliance with the Americans with Disabilities Act and related regulations, as amended from time to time. Signature shall submit its certification of such compliance to the Commissioner within thirty (30) days after written request.

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

### **ARTICLE III - TERM**

Section 3.01 - Initial Term. The initial term of this Agreement ("Initial Term") commences on the Effective Date and shall expire on December 31, 2016, unless extended or earlier terminated in accordance with the provisions of this Agreement. The City's early termination of Signature's lease for any parcel shall in no way diminish Signature's obligations under this Agreement that survive expiration or termination of this Agreement. Signature and the City agree that the 1997 Agreement is hereby superseded and terminated, except with respect to those obligations and liabilities that survive termination by express provision in the 1997 Agreement or by operation of law.

Section 3.02 - Options to Extend. At the option of Signature and provided that the Initial Term has not already been terminated or been converted to month-to-month for a specific parcel, the Initial Term for the Premises as a whole or a parcel(s) thereof may be extended by for no more than one (1) additional six (6) year period (the Initial Term and such extension being the "Term", not to extend beyond December 31, 2022), provided that:

A. Signature provides the City written notice of its intent to extend the Term for a parcel no less than fifteen (15) months, but not more than twenty-four (24) months, prior to the then current expiration date of the Term for that parcel; and

B. there is no existing event of default, or any condition with which the giving of notice and/or the passage of time could become an event of default, as of the commencement of the extended Term.

The 15-month notice period in (a) is intended to provide the City time to find a replacement tenant. If Signature inadvertently fails to provide timely notice pursuant to (a), the Commissioner may, in his or her sole and absolute discretion, waive the 15 month requirement and allow Signature to exercise its option to extend. Except as provided in Article IV, Signature's occupancy of the Premises during any extension of the Term shall be on the same terms and conditions as otherwise contained herein. If Signature exercises its option to extend the Initial Term of this Agreement, the word "ATerm" shall be construed to include the extension. Any holding over by Signature after the expiration of the Term shall be on a month-to-month basis, which may be terminated by the Commissioner with 30 days written notice.

Section 3.03 - Early Termination. In addition to an early termination due to an uncured event of default, either party may terminate this Agreement with 30 days' written notice in the event that Signature is no longer authorized to conduct fixed base operations or general aviation functions at the Airport by any governmental agency (other than the City). Further, Signature and the Commissioner may mutually agree to terminate the lease, or convert to a month-to-month lease, for a specific parcel of the Premises if they determine it to be in the best interests of the parties. In such event, Exhibits A and B will be amended prospectively.

#### ARTICLE IV - RENT

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

A. Ground Rent and Building Rent. Signature shall pay Ground Rent and Building Rent according to the schedule set forth in Exhibit B, attached hereto and incorporated by reference herein.

B. Percentage Rent. In addition to the Ground Rent and Building Rent, Signature shall pay Percentage Rent consisting of a percentage of gross revenues and a fuel flowage fee, as follows:

1. Signature shall pay City the following percentages of its Gross Revenues (as defined below): two percent (2%) of the first \$1,000,000 of its Gross Revenues; three percent (3%) of Gross Revenues over \$1,000,000 to \$4,000,000 per year, and four percent (4%) of its Gross Revenues over \$4,000,000 per year. "Gross Revenues" means the aggregate amounts of all charges, including but not limited to all facilities\services fees of whatever nature Signature charges its customers for the

use of the Premises (including the Improvements and equipment located thereon) and fees for such Primary Commercial Support Services or Secondary Commercial Support Services Signature may perform. Gross Revenues also includes any usage or access fees and revenue from any Transfer (including any Exempt Transfers). Gross Revenue does not

include revenues from the sale of fuel and any taxes imposed by law which are separately stated and paid by the customer and are directly payable to the taxing authority by Signature. All revenue shall be deemed to be received by Signature at the time of determination of the amount due to Signature, whether for cash or credit, and not at the time of payment, unless otherwise specifically stated in this Agreement, or subsequently authorized in writing by the Commissioner. Revenues shall further be deemed to be received by Signature if received by any of its contractors, sublessees, agents or wholly-owned or affiliated companies using or occupying space on the Premises and supplying any support services authorized in Article II of this Agreement.

2. Signature shall pay a fuel flowage fee of five percent (5%) of the annual average wholesale cost to Signature of all fuel, including but not limited to automotive and aviation gas and jet fuel, sold by Signature at the Airport, or any fuel pumped by Signature on behalf of any person in the event that Signature acts as an into-plane agent for such person, and such person has bought or sold fuel at the Airport, is not in privity with the City, and has not otherwise paid a percentage fee or fuel flowage fee to the City. This fuel flowage fee shall not apply in the event that Signature serves as an into-plane agent for commercial airlines and charter flights that are non-retail customers of Signature. The annual average wholesale cost for purposes of the percentage fee payable to the City shall be calculated each November by averaging the cost paid by Signature, for each type of fuel separately, to its suppliers at the Airport during the preceding twelve months and shall be effective beginning January 1 of the following year. Aviation gas or jet fuel purchased by Signature for its own consumption or purchased by its parent company or any subsidiary in which Signature's parent company has a minimum 50% ownership shall not be subject to this fuel flowage fee.

C. Minimum Annual Guarantee. The Minimum Annual Guarantee of Percentage Rent pursuant to Section 4.01.B above shall be \$192,346.56 through December 31, 2013. Commencing on January 1, 2014, and every January 1 thereafter, the Minimum Annual Guarantee for the forthcoming year shall be the greater of: (1) 85% of the Percentage Rent actually payable for the prior calendar year and (2) the Minimum Annual Guarantee for the prior calendar year.

#### **Section 4.02 - Escalation upon Term Extension.**

A. The Ground Rent and Building Rent payable to the City pursuant to Exhibit B shall increase upon the commencement of an extension pursuant to Section 3.02. The amount of such increase shall be determined by the appraised fair market rent for the Land within the Premises, and each Improvement upon the Premises, respectively; fair market rent to

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be initially determined by City's independent appraiser as the rent that would be paid by an unrelated, willing FBO tenant under the otherwise same terms and conditions as this Agreement, and City shall set forth such determination in a written notice to Signature, which determination shall be provided to Signature no later than 120 days prior to the expiration of the Initial Term.

B. In the event that Signature disputes the fair market rent as determined by City, then at any time

on or before the date occurring thirty (30) days after Signature has been notified by City of the fair market rent, Signature may give written notice of such dispute to the City, supported by the report of its own independent appraiser as to the fair market rent. If City and Signature are thereafter unable to reach agreement upon the fair market rent, then the parties shall select a mutually acceptable independent MAI appraiser with at least ten (10) years experience in commercial real estate appraisal of similar properties. The third appraiser shall, within forty-five (45) days of his or her appointment, select one of the two estimates of fair market rent submitted by City and Signature as the one closer to the fair market rent as determined by the third appraiser. The value so selected shall be the fair market rent. The party whose estimate is not chosen by the third appraiser shall pay all costs and expenses of the third appraiser and any experts retained by the third appraiser. Each party shall pay the fees and expenses of the appraiser appointed by or for such party. The time periods in this provision are intended to be approximate guidelines only, and failure of the parties to strictly comply shall not invalidate the process.

C. Upon its receipt of the final determination of the fair market rent pursuant to the foregoing, Signature, by written notice to the City, may elect to rescind its extension of the Term and terminate the Agreement, in which case this Agreement shall expire on the date it would have expired had Signature not provided the City notice of its intent to extend the Term.

Section 4.03 - Landing Fees. Signature shall collect the current landing fees in effect at the Airport for each landing at the Airport of any aircraft being handled by Signature ("Landing Fees"). Landing fees shall not be assessed for any landing of an aircraft returning to the Airport after take-off because of meteorological conditions, mechanical or operating causes, or any similar emergency or cautionary reason.

#### **Section 4.04 - Method and Manner of Payment.**

A. The Rent and Landing Fees (net of Signature's administrative fee) shall be paid to City, without set-off, deduction or discount, in lawful money of the United States, at the Office of the City Comptroller, 333 South State Street, Room 402, Chicago, Illinois 60614, or to such other place or person as City may direct Signature by written notice, and shall be made in monthly installments, due on the first of each calendar month, commencing on the first full calendar month following the Effective Date. Payments for partial months or calendar years may be appropriately prorated.

B. Each month Signature shall pay the greater of the Percentage Rent payable on the

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prior month's gross revenues and one-twelfth of the Minimum Annual Guarantee. In February of each calendar year, Signature may offset against Rent due to the City the amount, if any, by which the sum of actual monthly payments of Percentage Rent and Minimum Annual Guarantee, if any, for the prior year exceeded the greater of the Percentage Rent payable on the gross revenues of the prior year and the Minimum Annual Guarantee for the prior year.

Section 4.05 - Rent Credits. Signature shall offset no credits against Rent due to the City except as expressly provided in this Agreement or expressly authorized in writing by the Commissioner.

Section 4.06 - Late Payments. Each and every installment of Rent accruing under the provisions of this Agreement which is not paid when due shall bear interest at the Default Rate, from the date when the same is due until the same shall be paid. All other sums becoming due or payable to the City under this Agreement, including, without limitation, all monies expended by the City pursuant to this Agreement or on account of any default by Signature in the performance or observance of any of the covenants and agreements contained in this Agreement shall likewise bear interest from the respective dates when the same shall be advanced or paid by City, or otherwise due to City, at the rate per annum which shall be the lower of (a) the highest rate permitted by law or (b) the Default Rate, until the same shall be paid by Signature to City. All sums so advanced or paid by City shall become so much additional Rent under the terms of this Agreement, due and payable on the date of such advance or payment.

Section 4.07 - Security Deposit. On or before the Effective Date of this Agreement, Signature shall pay to the City a security deposit in an amount of \$300,000. Such security deposit may be in the form of cash or a letter of credit, which letter of credit shall be in the form reasonably acceptable to the Commissioner. The amount of the security deposit may increase with each escalation of Ground Rent, Building Rent or Minimum Annual Guarantee. The security deposit will be refunded to Signature, less any sums which may be due and owing to the City, subsequent to the expiration or termination of this Agreement

Section 4.08 - Rent Absolute. Signature covenants and agrees that the Rent specified in this Article IV shall be absolutely net to the City, to the end that this Agreement shall yield net to City the entire Rent, and so that all costs, fees, interest, charges, expenses, real estate taxes, reimbursements and obligations relating to the Premises which may arise or become due during the Term (other than City's legal fees not otherwise covered by this Agreement) shall be paid or discharged or caused to be discharged by Signature as so much additional Rent, and Signature covenants and agrees that City shall be indemnified and saved harmless by Signature from and against all such costs, fees, interest, charges, expenses, real estate taxes, reimbursements and obligations.

Section 4.09 - Signature Books and Records. Signature shall maintain at its office in Chicago, Illinois, or at the Airport, books, records, and accounts relevant to the determination of Rent or any other sums owed to City under this Agreement, including,

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without limitation, records of its operations at the Airport. If such books, records, and accounts are not maintained at such office, Signature shall in any case maintain such books, records, and accounts within the United States, and Signature shall promptly furnish the Commissioner and City Comptroller in Chicago with all information reasonably requested by them with respect to such books, records, and accounts. The Commissioner and City Comptroller, and such persons as may be designated by them, shall have the right, at all reasonable times, subject to prior written notice to Signature, to audit, examine, make copies of, and take extracts from such books, records, and accounts. In the event that (i) an audit reveals any discrepancy of greater than 2.5% of the gross receipts which are the subject of such audit, and (ii) such error resulted in an underpayment by Signature to the City, Signature shall reimburse the City for any and all of its expenditures for such audit. In the event that an audit reveals no irregularities, such audit shall be at the expense of the

City. Without limiting the foregoing, City has the right to inspect Signature's records of its operations at the Airport. City shall, to the extent permitted under applicable law, preserve the confidentiality of all information obtained through such inspections, unless Signature has consented to disclosure or has publicly released such information.

Section 4.10 - Abatement in the Event of Closing. Except as otherwise expressly set forth below, Signature shall have no right to abatement or set-off of Rent of any kind. In the event that, for a period of time in excess of five (5) consecutive days, the Airport is closed by any order or direction of City or any other governmental authority or agency, or by any order or direction of any court of competent jurisdiction and not stayed by way of appeal or otherwise, then the sole and exclusive remedy of Signature shall be that the Ground Rent and Building Rent payable by Signature shall abate for the period of such closing. There shall be no abatement or reduction of Rent or deletion from the Premises where the unusable condition is caused by the willful or negligent act or omission of Signature, its agents, employees, licensees, contractors, subcontractors, or invitees.

## **ARTICLE V- CONSTRUCTION, MAINTENANCE & REPAIR Section 5.01 -**

### **Construction of Improvements Generally.**

In the event that Signature undertakes construction of any new Improvements, the following provisions apply:

A. All Work shall be accomplished in accordance with the terms and conditions of this Agreement and of Exhibit C, attached hereto and incorporated by reference herein, and shall be in conformance with all applicable City codes, ordinances, order and regulations and FAA regulations, whichever are more restrictive. Work shall not be commenced until Signature has obtained all approvals, permits, and licenses required by any governmental authority or by Exhibit C. Signature shall diligently pursue Improvements until fully completed in a condition acceptable to the Commissioner.

B. A construction application together with plans and specifications of any proposed

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construction or installation (including any substantial alteration or addition thereto), a proposed schedule and evidence of insurance coverages required by Article X shall be submitted to and received by the Commissioner prior to the issuance of written approval from the Commissioner at least 120 days before commencement of construction. Signature agrees to use best efforts to incorporate sustainable design practices in the development and construction of any Improvements, to engage a LEED® (Leadership in Energy and Environmental Design) accredited professional on its architectural team, to create an operational plan that incorporates sustainable practices in all aspects of the daily operation of the Premises, and to comply to the extent that it is commercially reasonable to the requirements of the Sustainable Airport Manual. Signature shall require each contractor to furnish a payment and performance bond in form and substance acceptable to the Commissioner. The Commissioner's approval shall be absolute and may be withheld in his sole discretion. The Commissioner's approval of or consent to any plans and specifications shall not constitute a zoning approval or approval for other purposes or by other agencies or divisions of the



City. No restriction is placed on Signature as to any architect, builder or contractor for Improvements to the Premises other than those requirements set forth in Articles VII and VIII hereof, and any other applicable local, state or federal law or regulation. Any professionals employed by or contracted with by Signature shall be properly licensed and insured to perform their work. City shall have the right at all times to inspect any and all such work.

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

Section 5.02 - Title to Improvements. City and Signature mutually agree that any and all existing Improvements on the Premises are property of the City. Any new Improvements constructed on the Premises shall become and remain the property of City upon their completion.

Section 5.03 - City-funded Improvements. From time to time the Commissioner may delegate in writing to Signature the responsibility for undertaking Improvements to the Premises and agree to reimburse Signature for costs incurred in connection therewith. Eligible costs are actual, reasonable costs of labor and materials involved in performing the Work and actual, reasonable architectural, engineering, and consulting fees, and no others. Signature must publicly advertise the Work associated with any such Improvements and comply with the then-current City requirements for participation by City residents and Minority and Women's Business Enterprises. Signature must complete all

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such Improvements to the reasonable satisfaction of Commissioner and submit all invoices, sworn statements, lien waivers and any other appropriate documentation requested by the Commissioner to verify the costs paid in good faith by Signature with respect thereto. The Commissioner shall have the right to approve the reasonableness, allocability and allowability of those costs which are to be reimbursed, such approval not to be unreasonably withheld or delayed.

Section 5.04 - Other Improvements. In addition to City-funded Improvements, Signature may from time to time construct or install in the Premises, at its own expense, other Improvements, including pavement, facilities and equipment, and any additions thereto, reasonably necessary in connection with any use permitted under the provisions of this Agreement, subject to the prior written approval of the Commissioner in accordance with Section 5.01.

Section 5.05 - Liens Prohibited. Signature shall keep the Premises free and clear of any and all liens in any way arising out of the construction of Improvements, or use of the Premises by Signature; provided, however, Signature may in good faith contest the validity of any lien, provided such contest

does not impair the City's rights with respect to the Premises. City's rights to the Premises and the Airport are and always shall be paramount to the interests of Signature in the Premises. Nothing in this Agreement empowers Signature to commit or engage in any act which can, shall, or may encumber the rights of City. In no event shall this Agreement or any rights or privileges hereunder be an asset of Signature under any bankruptcy, insolvency, or reorganization proceedings.

Section 5.06 - Maintenance and Repair. Signature shall be responsible for and shall perform or cause to be performed all maintenance and repair of the Premises and shall keep such Premises clean and free from all debris. Signature shall at all times:

- A. Keep the Premises and all fixtures, equipment and personal property in a clean, safe, and orderly condition and appearance;
- B. Maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs, replacements, and painting; such repairs, replacements, and painting by Signature shall be of a quality not inferior to the standards set forth in any rules and regulations adopted by City for the Airport;
- C. Control all of its vehicular traffic on the Airport and take all precautions reasonably necessary to promote the safety of its passengers, customers, business visitors, and other persons, and employ such means as may be necessary to safely direct the movements of its vehicular traffic;
- D. Remove all snow from all ramps, hangar taxiways and paved areas on the Premises.
- E. Either directly or through a licensed independent contractor, dispose of its garbage,

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debris, and other waste materials at properly permitted facilities.

- F. Maintain pavement areas free from cracks and in good condition sufficient to support all types of aircraft that Signature services.

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

**Section 5.07 - Repairs Necessitated by Casualty.**

- A. In the event any Improvement from time to time upon the Premises shall be damaged or destroyed, in whole or in part, (regardless of the cause therefor) Signature covenants and agrees that Signature, at its own expense (notwithstanding insufficiency of insurance proceeds), shall repair, restore or rebuild any such building or other improvement so damaged, injured or partially destroyed, or erect, finish and complete a like new building

and Improvements on the Premises. Any such repair, restoration, or rebuilding or construction of a new building is herein sometimes referred to as a "Restoration."

B. Insurance proceeds shall be made available for Restoration on the terms and conditions set forth in this Section. In the event that the Premises, or any portion thereof, are damaged or destroyed by fire or other casualty, Signature, after consultation with City, and subject to the limitations set forth in this Section, shall repair, reconstruct or restore the damaged or destroyed Premises to (i) substantially the same condition, character and utility value as existed prior to the event causing such damage or destruction, or (ii) such other condition, character and value as may be agreed upon by City and Signature; provided, however, that in the event that the damage, and the insurance proceeds therefor, are less than \$100,000, Signature may effect such repairs, reconstruction or restoration as Signature may deem reasonably necessary. The City and Signature may agree to apply insurance proceeds to the payment of Special Facility Revenue Bonds issued by the City for the benefit of Signature. Signature acknowledges that such a bond issuance will require concurrence of the City Comptroller and action by the City Council, which concurrence and action may be withheld in the Comptroller's and City Council's respective sole and absolute discretion.

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

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rights under Section 13.06 of this Agreement.

D. Prior to making any Restoration of more than \$100,000, Signature shall in good faith estimate the cost of the Restoration and furnish City supporting estimates by a reputable, experienced architect, engineer and contractor qualified to make such estimate.

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

Rent, on account of any such loss, damage or destruction to the buildings or any other property at the Premises.

F. Any insurance proceeds greater than \$100,000.00 shall be made payable to both City and Signature. If Signature does not commence a Restoration promptly upon City approval of the plans and specifications for such Restoration, or if the Agreement expires or terminates at any time for any reason prior to application of all insurance proceeds, then all insurance proceeds shall be payable solely to City.

Section 5.08 - Inspection. City shall have the right to inspect the Premises and direct Signature to make ordinary repairs. City shall provide reasonable notice prior to such inspection, unless in an emergency situation, and shall notify Signature's representative on the Premises at the beginning of any such inspection.

Section 5.09 - Signs. Any signs installed by Signature on the Premises shall be limited to those which advertise the Signature brand and the aircraft support services provided by Signature. The number, general type, size, design, and location of such signs shall be subject to the prior written approval of the Commissioner.

Section 5.10 - Non-interference with Airport Operations. The Work and the operations of Signature and its officials, agents, employees, contractors, guests, patrons, and invitees on the Premises shall be conducted in an orderly and proper manner and shall not otherwise annoy, disturb, or be offensive to others at the Airport. In the event that Signature is not in compliance with this Section, at the written request of the Commissioner, Signature shall immediately conform the demeanor or conduct of Signature or its officials, agents, employees, contractors, guests, patrons, and invitees to the standard set forth in this Section.

Section 5.11 - Access by City. Upon the giving of reasonable notice, which may in certain circumstances determined at the City's sole discretion be only by oral notice,

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Signature shall allow City, its officers, agents or employees, free access to the Premises for the purposes of examining them to ascertain if Signature is performing its obligations under this Agreement, and for conducting such other activities deemed reasonably-necessary by the City.

**ARTICLE VI - MAINTENANCE AND OPERATION OF AIRPORT**

Section 6.01 - City's Obligations. City shall operate and maintain in a manner consistent with that of a reasonably prudent operator of an Airport, and keep in good condition and repair, the runway and the taxiway, roadways, water lines, sewer lines, drainage ditches, additions, improvements, facilities, and equipment, now or hereafter provided by City, serving the Premises but located outside the Premises, including the removal of snow, ice, vegetation, stones, and other foreign matter, as reasonably as may be done, from the runway and taxiway, connections therefrom, and roadways.

Section 6.02 - Signature's Remedy. In the event that the City fails to cure any failure in its performance of its obligations under Section 6.01 within a reasonable period, and provided that the Airport is not closed at the direction of the City or any other governmental authority or agency as addressed in Section 12.01 hereof, Signature's sole and exclusive remedy is to terminate this Agreement by providing notice to the City pursuant to the terms of Article XIV hereof.

## ARTICLE VII - ADDITIONAL OBLIGATIONS OF SIGNATURE

Section 7.01 - Taxes. Signature shall pay such taxes or special assessments, if any, which may be levied or assessed upon Signature's interest in the Premises. Signature shall provide the Commissioner with copies of all notices relating to such taxes within thirty (30) days of request and shall provide the Commissioner with a receipt indicating payment of such taxes. Nothing herein shall preclude Signature from contesting such charge or tax, including those taxes or charges enacted or promulgated by City.

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

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

Section 7.04 - Compliance with All Laws. Signature shall comply with all applicable federal, state, and local laws, codes, regulations, ordinances, rules, and orders; provided, however, that Signature may, without being considered to be in breach hereof, contest any

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such laws so long as such contest is diligently commenced and prosecuted by Signature and does not jeopardize the health or safety of persons at the Airport or Airport operations.

Section 7.05 - Compliance with City/State Requirements. Signature agrees to execute such certificates as may be necessary to comply with all applicable Federal, State, and local laws, codes, regulations, ordinances, executive orders, rules, and orders, including without limitation such certifications as are listed below.

A. Economic Disclosure Statement and Affidavit ("EDS"). Signature has executed an EDS(s), in compliance with 720 ILCS 5/33E-3, 4 and 11(B), as amended; 65 ILCS 5/11-42.1-1; Chapters 2-56, 2-154, and 2-156 of the Municipal Code; and such other statutes, ordinances, regulations and executive orders as may be in effect from time to time. Signature shall provide updated EDS(s) in the event of any change in circumstance which renders the EDS on file with the City inaccurate or obsolete.

B. Anti-Scofflaw. In accordance with Section 2-92-380 of the Municipal Code of Chicago, and in

addition to any other rights and remedies (including any of set-off) available to City under this Agreement or permitted at law or in equity, City shall be entitled to set off a portion of any amounts due Signature by City under this Agreement in an amount equal to the amount of the fines and penalties for each outstanding parking violation complaint and/or the amount of any debt owed by Signature to City. For purposes of this section, "outstanding parking violation complaint" means a parking ticket, notice of parking violation or parking violation complaint on which no payment has been made or appearance filed in the Circuit Court of Cook County within the time specified on the complaint, and "debt" means a specified sum of money owed to City for which the period granted for payment has expired.

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

1. Signature has entered into an agreement with the Department of Revenue, or other appropriate City department, for the payment of all outstanding parking violation complaints and/or debts owed to City and Signature is in compliance with the agreement; or
2. Signature is contesting liability for or the amount of the debt in a pending administrative or judicial proceeding; or
3. Signature has filed a petition in bankruptcy and the debts owed City are dischargeable in bankruptcy.

C. Ethics. Signature shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics", including, but not limited to, Section 2-156-120 pursuant to which no payment, gratuity, or offer of employment shall be made in connection with any City

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contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of such Chapter shall be voidable as to City.

D. MacBride Principles. City, through the passage of the MacBride Principles Ordinance, seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provide a better working environment for all citizens in Northern Ireland. If Signature conducts any business operations in Northern Ireland, it is hereby required that Signature shall make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

E. Inspector General and Legislative Inspector General. It shall be the duty of Signature and all officers, directors, agents, partners, and employees of Signature to cooperate with the Inspector General and Legislative Inspector General of the City in any investigation or hearing undertaken pursuant to Chapter 2-56 or 2-55 of the Code, respectively. Signature understands and will abide by

all provisions of Chapters 2-56 and 2-55 of the Code.

F. Americans with Disabilities Act. Any and all design and construction of Improvements 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, 42 U.S.C. 12101 et seq. and the Uniform Federal Accessibility Guidelines for Buildings and Facilities and the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., and the regulations promulgated thereto at 71 Ill. Admin. Code Ch. 1, Sec. 400.110. In the event that the above-cited standards are inconsistent, Signature shall comply with the standard providing greater accessibility.

G. Conflicts of Interest. Signature represents and warrants that no member of the governing body of the City or other unit of government and no other officer, employee or agent of the City or other unit of government who exercises any functions or responsibilities in connection with this Agreement has any personal interest, direct or indirect, in this Agreement, or in Signature. Signature further covenants that (i) no member of the governing body of the City and no officer, employee or agent of the City or other unit of government exercising any functions or responsibilities in connection with this Agreement shall acquire any personal, financial or economic interest, direct or indirect, in Signature or this Agreement, and (ii) no member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or employee of the City shall be admitted to any share or part of this Lease or any financial benefit to arise from it.

H. Shakman Accord.

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1. The City is subject to the May 31, 2007 Order entitled "Agreed Settlement Order and Accord" (the "Shakman Accord") and the June 24, 2011 "City of Chicago Hiring Plan" (the "City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.
2. Signature is aware that City policy prohibits City employees from directing any individual to apply for a position with tenants, either as an employee or as a subcontractor, and from directing tenants to hire an individual as an employee or as a subcontractor. Accordingly, Signature must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Signature under this Agreement are employees or subcontractors of Signature, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel

provided by Signature.

3. Signature will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under the Agreement, or offer employment to any individual to provide services under the Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this policy, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.
4. In the event of any communication to Signature by a City employee or City official in violation of paragraph (2) above, or advocating a violation of paragraph (3) above, Signature will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General, and also to the Commissioner of the Chicago Department of Aviation.

I. Mayoral Contributions; Executive Order 2011-4.

1. Signature agrees that it, and any person or entity who directly or indirectly has an ownership or beneficial interest in it of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, its Subcontractors, any person or

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entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Signature and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fund-raising committee (i) after execution of this Agreement by Signature, (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between Signature and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

2. Signature represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached Signature or the date the Signature approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fund-raising committee.



3. Signature agrees that it 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 fund-raising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fund-raising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fund-raising committee.

4. Signature agrees that 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.

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

6. If Signature violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement, the Commissioner may rescind this Agreement.

7. For purposes of this provision:

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"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fund-raising committee.

"Other Contract" means any other agreement with the City of Chicago to which Tenant is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the city council.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- a) they are each other's sole domestic partner, responsible for each other's common welfare; and
- b) neither party is married; and
- c) the partners are not related by blood closer than would bar marriage in the State of Illinois;

- and
- d) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
  - e) two of the following four conditions exist for the partners:
    - i) The partners have been residing together for at least 12 months.
    - ii) The partners have common or joint ownership of a residence.
    - iii) The partners have at least two of the following arrangements:
      - a. joint ownership of a motor vehicle;
      - b. a joint credit account;
      - c. a joint checking account;
      - d. a lease for a residence identifying both domestic partners as tenants.
    - iv) Each partner identifies the other partner as a primary beneficiary in a will.

"Political fund-raising committee" means a "political fund-raising committee" as defined in Chapter 2-156 of the Municipal code of Chicago, as amended.

### Section 7.06 - Non-discrimination.

A. Federal Requirements. It shall be an unlawful employment practice for Signature (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap, or national origin; or (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, age, handicap, or national origin. Signature shall comply with The Civil Rights Act of 1964, 42 U.S.C. sec. 2000 et seq. (1981), as amended. Attention is called to: Exec. Order No. 11,246, 30 Fed. Reg. 12,319

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(1965), reprinted in 42 U.S.C. 2000(e) note, as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. sec. 6101-6106 (1981); Rehabilitation Act of 1973, 29 U.S.C. sec. 793794 (1981); Americans with Disabilities Act, P.L. 101-336; and 41 C.F.R. Part 60, et seq. (1990).

B. State Requirements. Signature shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101, et seq., as amended, and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity Clause, 5 Ill. Admin. Code 1750 Appendix A. Furthermore, Signature shall comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 et seq., as amended.

C. City Requirements. Signature shall comply with the Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq. of the Municipal Code of Chicago, as amended. Further, Signature shall furnish and shall cause each of its contractors to furnish such reports and information as requested by the Chicago Commission on Human Relations.

Section 7.07 - Affirmative Action Program and MBE/WBE Requirements. Signature assures that it will undertake an affirmative action program which sets forth all applicable Federal standards as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, age, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. Signature assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Signature assures that it will require that its covered suborganizations provide assurances to Signature that they similarly will undertake an affirmative action program and that they will require assurances from their organizations, as required by 14 C.F.R., Part 152, Subpart E, to the same effect. In furtherance thereof, Signature also agrees to coordinate with the City's Department of Procurement Services so as to comply with the then current City requirements for participation of Minority Business Enterprises and Women's Business Enterprises on construction of any Improvements.

### Section 7.08 - Compliance with Environmental Laws

A. Pre-Existing Conditions. For the purposes of this Section 7.08, the presence of any Hazardous Material or Special Waste on the Premises that would give rise to liability to any person on the part of Signature or City, or violate any Environmental Law, shall be known as an Environmental Condition. In light of the fact that the City has not controlled any of the Premises for many years and that Signature has occupied and controlled almost all of the Premises for at least ten or more years (with the exception of 5713 South Central Avenue), Signature accepts the Premises "as is" with respect to any Environmental Conditions existing as of the Effective Date ("Pre-Existing Conditions"), and the City shall have no obligation to Signature to address or remediate any such Pre-Existing Conditions. With respect to 5713 South Central Avenue, Signature acknowledges and agrees that it has had adequate opportunity to investigate the Environmental Condition of that parcel with

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the permission and cooperation of Aon Corporation and accepts it "as is". B.

#### Compliance with Environmental Laws

1. Signature shall comply with all laws relating to the environment, including, without limitation, those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery, compensation, losses or injuries resulting from the release or threatened release of Hazardous Materials, Special Wastes or other contaminants into the environment and to the generation, use, storage, transportation, or disposal of solid wastes, Hazardous Materials, Special Wastes or other contaminants including, without limitation, the Comprehensive Environmental

Response and Compensation Liability Act (42 USC ' 9601 et seq.), the Hazardous Material Transportation Act (49 USC ' 1801 et seq.), the Resource Conservation and Recovery Act of 1976 (42 USC • 6901 et seq.), the Clean Water Act (33 USC ' 1251 et seq.), the Clean Air Act (42 USC ■ 7401 et seq.), the Toxic Substances Control Act of 1976 (15 USC ■ 2601 et seq.), the Safe Drinking Water Act (42 USC ■ 300f), the Occupational Safety and Health Act of 1970 (29 USC ' 651 et seq.), the Emergency Planning and Community Right-to-Know Act (42 USC ' 11001 et seq.), the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.), and the Municipal Code of Chicago; additionally, any analogous future or present local, state or federal ordinance or statute, rule and regulation promulgated under or pursuant to the foregoing, and any other present or future law, ordinance, rule, regulation, permit or permit condition, order, or directive which regulates, relates to, imposes liability for or establishes standards of conduct concerning any Hazardous Materials that may be set forth by the Federal government, any state or any political subdivision thereof, or any agency, court or body of the Federal government, any state or any political subdivision thereof exercising executive, legislative, judicial, regulatory or administrative functions (collectively, "Environmental Laws").

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

3. City shall have reasonable access to the Premises to inspect the same to confirm that Signature is using the Premises in accordance with Environmental Laws. Signature, at the reasonable request of City and at Signature's expense, shall conduct such testing and analysis as is necessary to ascertain whether Signature is using the Premises in compliance with all Environment Laws. Any such tests shall be conducted by qualified independent environmental consultants

chosen by Signature and subject to City's reasonable approval. Copies of any reports or test results shall be provided to City.

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

5. City makes no warranty, express or implied, regarding the condition of any underground storage tanks on the Premises, the presence of Hazardous Materials and Special Wastes on the Premises, that the Premises are free of Hazardous Materials and Special Wastes, or any other environmental contaminant. Subject to the limitations set forth in Section 7.08(a), in the event that City is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Premises or Improvements thereon, Signature shall defend City and indemnify City for any costs, damages or fines that might be found against City; provided, however, that Signature shall not be held accountable by the City under this Agreement in the event that contamination is the result of a third party traversing a right of way on the Premises or the negligence of the City. Signature's obligation to indemnify the City pursuant to this section in no other way limits nor is limited by any other indemnification provided in this Agreement.

6. Signature's liability and obligations under this Section 7.08 shall survive the termination of this Agreement, in whole or in part. Signature hereby waives any right of action or claim pursuant to any Environmental Law against the City, its officers, officials, agents or employees except for any Environmental Condition directly caused by the City after the Effective Date.

### C. Environmental Permits

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

2. When requested by the Commissioner, Signature shall submit copies of all hauling permits required by any Environmental Law. Copies of all permits and insurance certificates that require periodic renewal must be forwarded to the Commissioner throughout the duration of this Agreement. Non-compliance with this requirement may be cause for termination of this Agreement.

3. Environmental Records and Reports: Signature shall be required to prepare and

maintain proper, accurate and complete records of accounts of all transactions related to the operations of this Agreement, including, but not limited to, the following:

- a. Vehicle maintenance records
- b. Safety and accident reports
- c. I EPA or OSHA manifests
- d. Disposal records, including disposal site used, date, truck number and disposal weight.
- e. Permit documentation and all other documentation and transactions pertaining to all Environmental Laws.

All such records and accounts shall be subject to review by the City and shall be made available to the City upon the request of the Commissioner. The City's review of any such records and accounts shall in no way serve to limit Signature's obligations or liability under the terms and conditions of this Agreement or any Environmental Law.

#### Disposal of Materials, Construction and Demolition Debris, Soil and Waste

1. Signature shall be responsible for the proper disposal of all materials, construction and demolition debris, soil and other waste generated by Signature's business operations, including but not limited to the construction of Improvements, or Signature's activities as set forth in Section 7.08. Hauling and disposal by a subcontractor does not relieve Signature from responsibility for proper disposal. Disposal of all materials, construction debris, soil, and other wastes shall be at a disposal site that is properly licensed and permitted to accept the particular materials, construction debris, soil and other wastes delivered to it in accordance with all Environmental Laws. Signature shall identify the disposal site(s) or transfer station(s) to which it has contractual access and for which proper, sanitary landfill permits and/or licenses have been obtained. Failure to identify disposal site(s) for materials, construction debris, soil and other wastes or to submit such information when requested by the Commissioner may be cause to terminate this Agreement.
2. Upon request by the Commissioner, Signature shall provide the Commissioner with copies of all load tickets, manifests, bills of lading, scale tickets and other pertinent documents, including copies of all permits and/or licenses for the proposed transfer station and/or landfill. In the event that the transfer station and/or landfill proposed for use by Signature does not possess the necessary permits and/or licenses to accept the materials, construction debris, soil or other wastes, Signature will replace the transfer station and/or landfill submitted as part of their bid proposal at no additional cost to the City. If Signature disposes of materials, construction debris, soil or other wastes at a site which is not properly permitted, Signature shall be responsible for all costs associated with the removal of the waste to a properly licensed/permitted landfill or disposal site.

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3. Signature shall accept full responsibility for compliance with all Environmental Laws and must comply with all present and future laws, orders and regulations and any rules and regulations promulgated by the Commissioner regarding the separation, sorting and recycling of garbage, refuse and trash, including but not limited to those policies, rules and regulations incorporated in the Sustainable Airport Manual.

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

5. Signature shall notify the City of any community meetings, media involvement or media coverage related to the loading, hauling or disposal of materials, construction debris, soil and other wastes under this Agreement in which Signature is asked to participate.

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

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

E. Equipment and Environmental Control During Transport. Signature shall haul materials, including but not limited to fuel of any nature, any construction debris, soil and other wastes in vehicles and/or containers complying with all applicable Environmental Laws. All equipment used to transfer materials, construction and demolition debris, soil and other wastes shall be designed to prevent spillage during the hauling operation. Signature's equipment shall fully comply with all City, state and federal regulations, laws and ordinances pertaining to size, load weight, safety and any Environmental Law.

F. Open Dumping Prohibited. Signature's must identify debris and waste disposal/handling site(s) and acknowledge terms and conditions relating thereto in a form approved by the Commissioner (the "Form") and provided to the Commissioner before any debris or waste is removed from the Premises for disposal or handling elsewhere. In addition to the representations and requirements that may be contained in the Form, Signature understands and agrees that Signature, unless otherwise authorized in writing by the City's Commissioner of Environment, shall not continue to use a disposal/handling site identified in the Form that (i) has been cited as being in violation of any environmental law or regulation or of any City ordinance or (ii) does not have a necessary permit. If only one

site was identified in the Form, Signature shall arrange for a substitute disposal/handling site which meets the requirements specified in the Form and provide a revised Form to the Commissioner of Environment. Signature further understands and agrees that any such substitution shall be at no additional cost to the City, regardless of the reason necessitating such substitution.

Section 7.09 - Contractors. Signature agrees that all of the provisions set forth in Sections 7.03 through and including 7.07 of this Article 7 will be incorporated in all contracts entered into with any suppliers of materials, furnishers of services, contractors of any tier, and labor organizations which furnish skilled, unskilled, and craft union skilled labor, or which may provide any materials, labor, or services in connection with this Agreement for amounts of \$10,000 or more. Signature agrees to cause its contractors to execute such certificates as may be necessary in furtherance of these provisions. Such certifications shall be attached and incorporated by reference in the contracts. In the event that any contractor is a partnership or joint venture, Signature shall also include provisions in its contract insuring that the entities comprising such partnership or joint venture shall be jointly and severally liable for its obligations thereunder.

Section 7.10 - Indemnification. Subject to those limitations set forth in Section 7.08(a) hereof, and in addition to the indemnifications set forth in Article XI hereof, Signature hereby indemnifies and agrees to defend and hold harmless the City, its agents, partners, officers, representatives and employees, from all Claims arising from or attributable to: (a) the presence due to Signature's operations of Hazardous Materials and Special Wastes on the Premises or the subsurface thereof or the violation of any Environmental Laws due to Signature's operations (including, without limiting the generality thereof, any cost, claim, liability, or defense expended in remediation required by a governmental authority, or by reason of any release of any Hazardous Material or Special Waste due to Signature's operations or violation of any Environmental Laws), or (b) any aggravation of any condition on the Premises caused, directly or indirectly, by Signature's operations, or (c) any breach by Signature of any of its warranties, representations or covenants in this Article VII. Signature's obligations hereunder shall survive the termination or expiration of this Agreement, and shall not be affected in any way by the amount of or absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under any insurance policies affecting the Premises or Signature's operations at the Airport.

## ARTICLE VIII - AIRPORT MATTERS

Section 8.01 - Airport Rules and Regulations. Signature shall observe and obey all Airport rules and regulations governing the conduct and operations of the Airport, promulgated from time to time by City, provided, however, that such Airport rules and regulations must be neither (i) inconsistent with the exercise by Signature of any right or privilege granted to it hereunder or under any other agreement between Signature and City relating to the Airport, nor (ii) inconsistent with the rules and regulations or orders of any



Federal or State agency having jurisdiction over the Airport. Except in cases of emergency, no such rule or regulation shall be applicable to Signature unless it has been given fifteen (15) days prior written notice of the adoption thereof.

Section 8.02 - Other Legal Requirements. Signature shall comply, and shall cause its contractors to comply, with all applicable federal, state and local laws, codes, regulations, ordinances, rules and orders including, without limitation, those promulgated by the FAA and the TSA, which shall include, but not be limited to, the following:

A. Prohibition Against Exclusive Rights. It is hereby specifically understood and agreed that nothing contained in this Agreement shall be construed to grant or authorize the grant to Signature of an exclusive right to use Airport facilities or to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and City reserves the right to grant to others at the Airport similar privileges and rights.

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

C. Non-discrimination in the Use of the Premises. This Agreement involves the use of or access to space on, over, or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public. Signature, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (a) no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (b) that no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of Improvements on, over, or under such land and the furnishing of services thereon; and (c) that Signature shall use the Premises in compliance with all other requirements imposed by or pursuant to regulations of the U.S. Department of Transportation. In the event of a breach of the above nondiscrimination-covenants by Signature, City shall have the right to terminate this Agreement and to reenter and repossess the Premises and the facilities thereon, and hold the same as if this Agreement had never been executed.

D. Non-Discrimination in Furnishing Services. Signature agrees that it shall provide its services and products promptly, efficiently and adequately to meet all reasonable demands therefor, all on a fair and non-discriminatory basis to all users thereof, at charges which are

fair, reasonable and non-discriminatory; provided that reasonable discounts, rebates or other similar types of price reductions may be made to volume purchasers.

Section 8.03 - Airport Agreements. Signature's use and occupancy of the Premises shall be and remain subject to (i) the provisions of any existing or future agreements between City and the United States government, FAA or other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal or other government funds, including, without limitation, grant agreements, and (ii) any use agreement heretofore or hereafter executed by the City with airlines operating at the Airport, including, without limitation, the Midway Airport Use Agreement and Facilities Lease and any ordinance or indenture, or both, authorizing bond anticipation notes or bonds or other obligations adopted by the City Council of the City authorizing the issuance of notes, bonds or other obligations for the Airport and securing such obligations by a pledge of revenues or net revenues of the Airport and any ordinance or indenture supplemental thereto, which shall also include any master indenture.

Section 8.04 - Airport Security Acts. This Agreement is expressly subject to the Airport Security Acts, as amended from time to time, the provisions of which are hereby incorporated by reference, including, without limitation all rules and regulations promulgated thereunder. Signature and its employees, contractors, subcontractors, suppliers of materials, or providers of services are subject to such employment investigations, including criminal history record checks, as the Commissioner, the TSA or the FAA may deem necessary. Further, in the event of any threat to civil aviation, as defined in the Airport Security Acts, Signature shall promptly report any information in accordance with those regulations promulgated by the Secretary of the United States Department of Transportation, the Secretary of the Department of Homeland Security and the City. Signature shall, notwithstanding anything contained herein to the contrary, at no additional cost to City, perform under this Agreement in compliance with those directives guidelines developed by City, the TSA and the FAA with the objective of maximum security enhancement, including without limitation any confidentiality directives and guidelines established by the TSA with respect to information that has been deemed by the TSA to be Security Sensitive Information.

Section 8.05 - Airport Noise Restrictions. Signature agrees to abide by any guidelines, rules or regulations for the Airport which result from any Part 150 study or any other restrictions imposed on noise and which are applicable to the use of the Premises as an aircraft maintenance facility or otherwise.

Section 8.06 - Regulating the Airport; Airport Operation. City reserves the right to regulate, police and further develop, improve, reconstruct, modify or otherwise alter the Airport in City's sole discretion. City reserves the right, but shall not be obligated to Signature, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport. City shall not have any obligation to continue to operate the Airport or any part as an airport for passenger or freight air transportation or at any

particular level of operation and may at any time limit or discontinue use of the Airport or any means of access to or within the Airport in whole or in part. This provision shall not be interpreted to grant a right to limit or discontinue means of access to the Premises by Signature from outside the Airport from dedicated public streets.

## ARTICLE IX - EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

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

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

## ARTICLE X - INSURANCE

Signature shall provide and maintain at all times, at Signature's own expense during the term of the Agreement and during any period subsequent to the expiration of the Term if Signature is required to return to perform Work or perform any activities to comply with any Environmental Law, the types of insurance specified in Exhibit D, with insurance companies authorized to do business in the State of Illinois, covering all operations under this Agreement, whether performed by Signature, its contractors or subcontractors.

## ARTICLE XI - INDEMNIFICATION BY SIGNATURE

Section 11.01 - Indemnity. Signature agrees to protect, defend, indemnify, keep, save and hold the City of Chicago, its officers, officials, employees and agents (collectively "Indemnified Parties") free and harmless from and against any and all liabilities, losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind, nature and character arising out of or relating to any and all claims, liens, demands, obligations, actions, suits, judgments or settlements, proceedings or causes of action of every kind, nature and character (collectively "Claims") in connection with or arising directly or indirectly out of the performance or failure to perform hereunder by Signature, its officials, agents, employees, and subcontractors, including but not limited to, the enforcement of this indemnification provision, except for Claims shown by final judgment to have been caused by or attributable to the Indemnified Parties' negligence, in which event the Indemnified Parties shall contribute to the payment of damages decreed by judgment, and the actual costs of defense borne by Signature not otherwise covered by insurance, to the extent the Indemnified Parties are found liable by such judgment. Without limiting the foregoing, any and all such Claims relating to personal injury, death,

damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copyright or of any other tangible or intangible personal property right, actual or alleged employment discrimination or wrongful discharge, or any actual or alleged violation of any applicable statute, ordinance, order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. The foregoing indemnity provision excludes the negligence of the Indemnified Parties to the extent prohibited by 740 ILCS 35/1 etseq. (Construction Contract for

Indemnification Act) and/or 740 ILCS 150/0.01 et seq. (Structural Work Act), respectively. Signature further agrees to investigate, handle, respond to, provide defense for and defend all suits for any and all Claims, at its sole expense and agrees to bear all other costs and expenses related thereto, even if the Claims are considered groundless, false or fraudulent.

The Indemnified Parties shall have the right, at their respective options and cost, to participate in the defense of any suit, without relieving Signature of any of its obligations under this indemnity provision, provided that the Indemnified Parties and their respective attorneys shall coordinate and cooperate with Signature's attorneys. Signature further expressly understands and agrees that the requirements set forth in this indemnity to protect, defend, indemnify, keep, save and hold the Indemnified Parties free and harmless are separate from and not limited by Signature's responsibility to obtain insurance pursuant to other Sections in this Agreement. Further, the indemnities contained in this Section shall survive the expiration or termination of this Agreement.

### **Section 11.02 - Release of City.**

A. The City shall not be liable to Signature, or to Signature's agents, representatives, contractors, subcontractors, or employees, for any injury to, or death of, any of them or of any other person, or for any damage to any of Signature's property, or loss of revenue caused by any third person in the maintenance, construction, or operation of facilities at the Airport, or caused by City or any third person using the Airport or navigating any aircraft on or over the Airport, except where there has been a final determination by a court of competent jurisdiction that any injury, death, or damage is due to the negligence or willful misconduct of City, and only to the extent Signature or any of the above described parties is not covered by insurance.

B. The City shall not be liable to Signature for damage to property of Signature or any loss of revenues to Signature resulting from City's acts or omissions in the maintenance and operation of the Airport, except where there has been a final determination by a court of competent jurisdiction that such damage or loss has been caused by the negligence or willful misconduct of City, and then only to the extent Signature is not reimbursed by insurance.

C. Notwithstanding any reference herein to Signature's release and indemnification being ineffective in certain instances where City or its agents, employees or representatives have been negligent, nothing herein shall be construed to make City liable in any case or instance where City would otherwise be immune from any tort liability because of its being

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a municipal corporation.

**Section 11.03 - Non-Liability of Public Officials.** No official, employee, or agent of City shall be charged personally by Signature, or by any assignee or contractor of Signature, with any liability or expenses of defense, or be held personally liable to them under any term or provision of this Agreement, or because of City's execution or attempted execution hereof, or because of any breach hereof.

**Section 11.04 - Limitation on City Liability.** City, its officers, directors, commissioners, agents and

employees, shall, to the extent permitted by law, have absolutely no personal liability with respect to any provision of this Agreement or any obligation or liability arising from this Agreement or in connection with this Agreement or the Premises in the event of a breach or default by City of any of its obligations. Signature (and any person claiming by or through Signature) shall look solely to legally available Airport discretionary funds from time to time up to the Maximum Limit. The term "Maximum Limit" means the fair market value of the City's interest in the Premises, as encumbered by this Agreement. The Maximum Limit shall be an aggregate limit over the term of this Agreement and shall be reduced by any prior payments or credits by City on account of a breach or default (or alleged breach or default) made with respect to the Premises. The Maximum Limit shall be determined as of the date of the City's liability for any breach or default is adjudicated. Such limitation of liability shall be absolute to the full extent permitted by law and without any exception whatsoever.

Section 11.05 - City Approvals. Nothing herein is intended nor shall it be construed to provide any limitation upon Signature's obligation to comply with the terms and conditions of this Agreement. No City review or approval of any act of Signature or document provided by Signature, including, but not limited to, plans and specifications, shall in any way serve to attenuate, diminish or otherwise limit Signature's obligations hereunder, nor shall any such review or approval constitute a waiver by the City of any non-compliance with the terms and conditions of this Agreement. Unless otherwise required by law or as expressly provided otherwise in this Agreement, any City review or approval required by this Agreement is deemed to mean the review or approval of the Commissioner.

Section 11.06 - Survival Beyond Termination of this Agreement. Signature's obligations under Section 7.08, Section 7.10, and Article XI shall survive the termination or expiration of this Agreement.

## ARTICLE XII - DEFAULT AND TERMINATION

Section 12.01 - Events of Default. Each of the following is an event of default under this Agreement:

A. Signature becomes insolvent (as such terms is defined under Section 101 of the Federal Bankruptcy Code, 11 U.S.C. 101 etseq. (the "Code"), or any successor statute

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thereto); or fails to pay its debts generally as they mature; or takes the benefits of any present or future federal or state insolvency statute; or makes a general assignment for the benefit of creditors.

B. Signature files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Code or under any other law or statute of the United States or of any State thereof; or consent to the appointment of a receiver trustee, custodian, liquidator, or other similar official, of all or substantially all of its property; or an order for relief is entered by or against Signature under any chapter of the Code.

C. By order or decree of a court, Signature is adjudged a debtor or bankrupt, or an order is made approving a petition filed by any of its creditors or by any of its stockholders, seeking its

reorganization or the restructuring of its indebtedness under the Code or under any other law or statute of the United States or any state thereof and such order or decree is not stayed or vacated within sixty (60) days of its issuance.

D. A petition under any chapter of the Code or an action under any federal or state insolvency statute is filed against Signature and is not dismissed or stayed within sixty (60) days after being filed.

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

F. Signature becomes a corporation in dissolution.

G. The letting, license, or other interest of or rights of Signature hereunder is transferred to, passed to, or devolved upon, by operation of law or otherwise, any other person, firm, corporation, or other entity, by, in connection with, or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceedings or occurrence described in Subparagraphs (A) through (E) of this Section 12.01.

H. Signature fails to duly and punctually pay any Rent required to be paid hereunder or fails to make payment when due of any other sum required to be paid to City pursuant to this Agreement, for a period of ten(10) business days after written notice specifying such failure and requesting that it be remedied is given to Signature by City.

I. Signature fails to keep, perform, and observe any promise, covenant, or other provision of this Agreement, other than the obligation to pay Rent, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Signature by City; provided, however, that any such failure which can be remedied, but which cannot with due diligence be remedied within such thirty (30) day period, shall not - give rise to City's right to terminate this Agreement if corrective action is instituted by

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Signature within such thirty (30) day period and diligently pursued until the failure is remedied.

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

K. Signature ceases using or abandons substantially all of the Premises for a period of ninety (90) consecutive days.

L. Signature makes any purported Transfer without the consent of City as set forth in Article XIV.

M. Signature fails to maintain its corporate existence, or fails to remain duly qualified to do business in the State of Illinois, or Signature dissolves or otherwise disposes of all or substantially all of its assets, or consolidates with or merges into another corporation; provided, however, that it shall not be an Event of Default if Signature consolidates with or merges into an Affiliate; or

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

O. Signature defaults on any Loan Agreement pertaining to Special Facility Revenue Bonds issued by the City for use and repayment by Signature.

### **Section 12.02 - City's Remedies.**

A. Whenever an Event of Default has occurred and is continuing, City may, at its option, immediately and without prior notice of such Event of Default:

1. terminate this Agreement and the licenses and other rights of Signature hereunder, without discharging any of Signature's obligations hereunder and, at City's further option, exclude Signature from the Premises; or

2. without terminating this Agreement, exclude Signature from the Premises and attempt to grant such Premises to another party for the account of Signature, holding Signature liable for all payments due hereunder up to the effective date of such grant and for the excess over the Rent and other amounts which are paid by such new party under such new agreement, if any, of other amounts payable by Signature under this Agreement for the remainder of the term of this Agreement.

B. The remedies set forth in this Article are in addition to all other remedies which are or may be available to City at law or in equity. In addition, City may, from time to time, take

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whatever action at law or in equity appears necessary or desirable to collect Rent and any other amounts payable by Signature hereunder then due and thereafter to become due, and to enforce the performance and observance of any obligation, agreement, or covenant of Signature under this Agreement.

C. All rights and remedies hereinbefore given to City and all rights and remedies given to City by law, shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Premises shall deprive City of any of City's remedies or actions against Signature for Rent or for any other sum required to be paid to City pursuant to this Agreement, or for damages or for the breach of any covenant herein contained, nor shall the bringing of any action for fees or breach of covenant, or the resort to any other remedy herein provided for the recovery of fees be construed as a waiver of the right to obtain possession of the Premises.

### **Section 12.03 - Removal of Signature's Property.**

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

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

### **Section 12.04 - Condemnation.**

A. Any condemnation or taking of such a substantial part of the Premises that results in the Premises being unsuitable or incapable of being used for the purposes stated herein, is hereafter referred to as a "Total Taking." In the event of a Total Taking, this Agreement shall be terminated as of the date of the filing of the petition to condemn. Signature may thereafter petition the Court for an award of the value of its interest, which may include the amount of the unamortized construction costs under Section 4.05. Signature shall apply any such award to the defeasance of any outstanding Special Facility Revenue Bonds

issued by the City for use and repayment by Signature.

B. In the event of a taking of the Premises other than a Total Taking (a "Partial Taking"), this Agreement shall remain in effect as to the remaining portion of the Premises and, if the proceeds of any award received by City on account of such Partial Taking are sufficient to restore or replace the Premises so taken, City shall deposit the proceeds of the award with respect to the Premises in a construction fund and City shall forthwith (subject to unavoidable delays) apply such proceeds to the restoration or replacement of the Premises so taken as nearly as possible to (i) such condition, character, and utility value as existed prior to such Partial Taking or (ii) to such other condition, character, and value as may be agreed upon by City and Signature. If for any reason the proceeds of an award received by City for a Partial Taking are in excess of the amount necessary to restore or replace the Premises, the amount of such excess shall be paid to City. If such proceeds are insufficient to replace or restore the Premises as provided in (i) and (ii) above, City shall not be required to restore or replace in excess of the proceeds of such awards.



Section 12.05 - No Waiver by City. Failure by City to take any action with respect to any default or violation by Signature of any of the terms, covenants, or conditions of this Agreement shall not in any respect limit, prejudice, diminish, or constitute a waiver of any rights of City to act with respect to any prior, contemporaneous, or subsequent violation or default. The acceptance by City of payment for any period or periods after a default or violation of any of the terms, conditions, and covenants of this Agreement shall not constitute a waiver or diminution of, nor create any limitation upon any right of City pursuant to this Agreement to terminate this Agreement for subsequent violation or default, or for continuation or repetition of the original violation or default.

**Section 12.06 - City's Right to Perform Signature's Obligations.**

A. In the event that Signature fails to perform any of its obligations under this Agreement, the City may, but is not obligated to, and without waiving or releasing Signature from any of its obligations hereunder, make any payment or perform any other act which Signature is obligated to make or perform under this Agreement in such manner and to such extent as City may deem desirable; and in so doing city shall also have the right to enter upon the Premises, including any Improvement to the Premises, for any purpose reasonably necessary in connection therewith and to pay or incur any other necessary and incidental costs and expenses, including reasonable attorneys' fees. All sums so paid and all liabilities so incurred by City, together with interest thereon at the lesser of the then current Default Rate or the highest interest rate permitted by law, shall be deemed additional Rent hereunder and shall be payable to City upon demand as additional Rent. City shall use reasonable efforts to give prior notice, which may be oral, of its performance, if reasonably feasible under the circumstances.

B. The performance of any such obligation by City shall not constitute a waiver of Signature's default in failing to perform the same. Inaction of City shall never be considered as a waiver of any right accruing to it pursuant to this Agreement. City, in

making any payment hereby authorized: (a) relating to taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction of Improvements to the Premises or the repair, maintenance or reconstruction of Improvements to the Premises or payment of operating costs thereof, may do so in such amounts and to such persons as City may reasonably deem appropriate. Nothing contained herein shall be construed to require the City to advance monies for any purpose. City shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business or other damage to Signature or any other occupant of the Premises or any part thereof, by reason of making repairs or the performance of any work on the Premises or on account of bringing materials, supplies and equipment into or through the Premises during the course thereof and the obligations of Signature under this Lease shall not thereby be affected in any manner. In doing so, however, City shall use reasonable efforts not to interfere with Signature's operations.

**Section 12.07 - Attorneys' Fees and Expenses. In the event Signature defaults under this Agreement**

and City employs attorneys or incurs other expenses for the collection of Rent or any other amounts due hereunder, or for the enforcement or performance or observance of any obligation or agreement on the part of Signature herein contained, Signature shall, on demand, pay to City the reasonable fees and expenses of such attorneys and any such other reasonable expenses incurred by City as a result of such default.

## ARTICLE XIII - TRANSFERS Section

### 13.01 - Signature's Right to Transfer.

A. Transfers Generally. Except for Exempt Transfers, Signature covenants that it will not assign, sublet, transfer, convey, sell, mortgage, pledge, or encumber (any of the foregoing events being referred to as a "Transfer") the Premises or any part thereof, or any rights of Signature hereunder or any interest of Signature in this Agreement, or effect any sale of Signature stock that may have the effect of a Transfer, nor will Signature allow the use of such Premises hereunder by any other person, except as otherwise provided in Article II of this Agreement, without in each instance having first obtained the prior written consent of City as set forth below. Where the consent the City may be granted by the Commissioner, the City agrees such consent will not be withheld or delayed unreasonably.

B. Transfer to an Affiliate. Transfers of this Agreement, in whole or in part, to an Affiliate of Signature are subject to consent of the Commissioner. The Commissioner will not withhold his consent to such Transfer provided that: (i) the proposed transferee is in compliance with all of the legal requirements of this Agreement, (ii) the proposed transferee demonstrates to the Commissioner's satisfaction that it is sufficiently financially

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responsible, experienced and capable to perform those obligations of Signature under this Agreement that Signature seeks to Transfer, (iii) the proposed transferee assumes all of Signature's obligations under this Agreement that Signature seeks to Transfer, (iv) in the Commissioner's sole opinion, the Transfer will not have a material adverse effect upon the Airport, (v) no event of default then exists, and (vi) the transferee executes the City's Economic Disclosure Statement and Affidavit.

C. City Consent. Except where the Transfer is to an Affiliate, the consent of the City Council on behalf of City shall be required for any Transfer of (i) all of the Premises, (ii) all rights of Signature hereunder, or (iii) all of Signature's interest in this Agreement. The consent of the Commissioner on behalf of City shall be required for any other Transfer. Consent by City to any type of Transfer described in this Article or elsewhere in this Agreement shall not in any way be construed to relieve Signature from obtaining further authorization from City for any subsequent Transfer of any nature whatsoever. In determining whether or not to consent to a Transfer, City will take into account those factors (i) through (vi) set forth in the immediately preceding paragraph and, without limitation, the promotion of a competitive environment at the Airport in light of the then-existing circumstances, the proposed use of the Premises by any transferee, the balanced utilization of the Airport facilities, operational considerations relating to the characteristics of the proposed transferee, the financial condition of the proposed transferee, and the impact on City's ability to exercise control over the

Airport.

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

E. Request for City Consent. Any and all requests by Signature for consent to a Transfer shall be made in writing by certified mail to City and shall include copies of the proposed documents of Transfer. Said documents of Transfer shall completely disclose any and all considerations made or to be made to Signature for said Transfer.

F. City's Right to Collect from Transferee. City may collect Rent and other sums to be paid from any assignee, sublessee, or other transferee of Signature, and in such event shall apply the net amount collected to the Rent and other sums payable by Signature hereunder without such action by City releasing Signature from this Agreement or any of its obligations hereunder. If any Transfer requiring City consent occurs without such consent and City collects Rent or other sums payable by Signature from the transferee and applies the net amount collected in the manner described in the preceding sentence, such actions by City shall not be deemed to be consent to the Transfer.

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

Section 13.02 - City Right to Transfer. The City reserves the right to transfer all or any part of its interests hereunder, including but not limited to the assignment of this Agreement

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in its entirety to a private operator of the Airport.

#### ARTICLE XIV - NOTICE

Any notices or other communications pertaining to this Agreement shall be in writing and shall be deemed to have been duly given by a party if sent by nationally recognized commercial overnight courier or registered or certified mail, return receipt requested, postage prepaid and addressed to the other party. Notices shall be deemed given on the date of receipt if by personal service, or one day after deposit with a nationally recognized commercial overnight courier, three days after deposit in the U.S. mails, or otherwise upon refusal of receipt. All notices or communications intended for Signature shall be addressed to:

Signature Flight Support Corporation 5821 South  
Central Avenue Chicago, Illinois 60638 Attn: General  
Manager

with a copy to:

Signature Flight Support Corporation  
  
201 South Orange Avenue Suite 1100S  
Orlando, Florida 32801 Attn: General

Counsel

All notices or communications intended for the City shall be addressed to:

Commissioner, Chicago Department of Aviation  
City of Chicago  
O'Hare International Airport  
10510 Zemke Road  
Chicago, Illinois 60666

with a copy to: City Comptroller  
City of Chicago Room 501 City Hall  
121 North LaSalle Street Chicago,  
Illinois 60602

and with a copy to: Corporation Counsel  
Department of Law City of  
Chicago Room 610  
121 North LaSalle Street Chicago,  
Illinois 60602

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Attention: Deputy Corporation Counsel - Aviation

Either party may change its address or the individual to whom such notices are to be given by a notice given to the other party in the manner set forth above.

## ARTICLE XV - MISCELLANEOUS

Section 15.01 - Entire Agreement. This Agreement, and the exhibits attached hereto and incorporated hereby, shall constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this Agreement that are not expressly addressed herein and therein.

Section 15.02 - Counterparts. This Agreement is comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

Section 15.03 - Amendments. No changes, amendments, modifications, cancellation, or discharge of this Agreement, or any part thereof, shall be valid unless in writing and signed by the parties hereto, or their respective successors and assigns.

Section 15.04 - No Partnership or Agency. Nothing herein contained as intended or shall be construed to in any respect create or establish any relationship other than that of lessor and lessee, and nothing herein shall be construed to establish any partnership, joint venture, or association or to make Signature the general representative or agent of City for any purpose whatsoever.

Section 15.05 - Representatives. City and Signature shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for City and Signature, respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. Except as specifically set forth herein, for the purposes of actions to be taken by it or by the Commissioner, City's representative shall be the Commissioner. Signature's representative shall be designated in a written notice delivered to City. Any party hereto may change its designated representative by notice to the other party.

**Section 15.06 - Force Majeure.**

A. Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including, without limiting the generality hereof, strikes, boycotts, picketing, slow-downs, work stoppages, or other labor actions affecting City or Signature, their respective contractors or subcontractors, except to the extent that such failure, delay or interruption is the result of the negligence of that party; provided that nothing in this Section is intended or shall be construed to abate, postpone, or in any respect diminish Signature's obligations to

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make any payments due City pursuant to this Agreement.

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

C. Signature shall not be liable for the performance of any obligation of Signature hereunder if such performance is prohibited or materially affected by the issuance of any order, rule, or regulation, or the taking of any action by the Federal Aviation Administration, the Transportation Security Administration or other government authority substantially affecting, for a period of at least thirty (30) days, Signature's use of the Airport, provided, however, that none of the foregoing is due to any fault of Signature.

Section 15.07 - Governing Law. This Agreement shall be governed in accordance with the laws of the State of Illinois. Signature hereby irrevocably submits, and shall cause its subcontractors to submit, to the original jurisdiction of those State or Federal courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. Signature agrees that service of process on Signature may be made, at the option of City, either by registered or certified mail addressed to the applicable office as provided for, in this Agreement, by registered or certified mail addressed to the office actually maintained by Signature, or by personal delivery on any officer, director, or managing or general agent of Signature.

Section 15.08 - Consent to Service of Process and Jurisdiction. All judicial proceedings brought by Signature with respect to this Agreement shall be brought in Cook County, Illinois, and by execution and delivery of this Agreement, Signature accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. Signature irrevocably waives any objection (including without limitation any objection of the laying of venue or based on the grounds of forum nonconveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Agreement in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of City to bring proceedings against Signature in the courts of any other jurisdiction.

Section 15.09 - Severability. If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law, or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or

unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

Section 15.10 - Assigns. All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, transferees, and assigns.

Section 15.11 - Co-Operation by Parties. The parties hereby agree to use good faith in the performance of this Agreement and to co-operate with each other. City must be expressly identified as a third party beneficiary in any of Signature's contracts for construction of Improvements or performance of Primary Commercial Support Services and must be granted a direct right of enforcement thereunder. If this Agreement is terminated for any reason, or if it expires by its own terms, Signature shall make every reasonable effort to assure an orderly transition to another fixed base operator or provider of general aviation services, if any; orderly demobilization of its own operation; and the uninterrupted provision of fixed base operations and general aviation services. During any transition period Signature shall otherwise comply with the reasonable requests and requirements of the Commissioner in connection with the termination or expiration of this Agreement.

## ARTICLE XVI - AUTHORITY

Section 16.01 - City's Authority. This Agreement is authorized by an Ordinance passed by City of Chicago City Council on \_\_\_\_\_ (C.J.P. \_\_\_\_\_). Wherever this Agreement provides that an act is to be taken or performed, or approval or consent is to be given by City, such

act may be taken or performed, or approval or consent may be given, by the Commissioner, without further action by the City Council of Chicago, as long as such act, approval or consent does not result in either (i) an extension of the Term (beyond any permitted renewals), (ii) a decrease in the Rent other than such decreases expressly provided for herein, or (iii) expansion of the Premises; provided, however, that non-material changes may be made to the boundaries of the Premises to conform to a survey. The Commissioner may execute an amendment to the Agreement provided that he or she is authorized to take or perform the act, or provide the consent or approval, giving rise to such amendment.

Section 16.02 - Signature's Authority. Execution of this Agreement by Signature is authorized by corporate resolution, and the signatures of each person signing on behalf of Signature have been made with complete and full authority to commit Signature to all terms and conditions of this Agreement, including each and every representation, certification, and warranty contained herein, attached hereto and collectively incorporated by reference herein, or as may be required by the terms and conditions hereof.

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IN WITNESS WHEREOF, City of Chicago has caused this Agreement to be executed on its behalf by its Mayor, pursuant to due authorization of City Council of City of Chicago, and Signature Flight Support Corporation has caused this Agreement to be executed on its behalf by its \_\_\_\_\_ and witnessed by its \_\_\_\_\_ pursuant to due authorization of its Board of Directors.

**CITY OF CHICAGO**

Rahm Emanuel, Mayor

Recommended by:

Rosemarie S. Andolino  
Commissioner  
Chicago Department of Aviation

**SIGNATURE FLIGHT SUPPORT CORPORATION**

By: Attest:

Signature: Signature:

By: By:

Its: Its:

Designation of Agent for City Clerk  
Service of Process

Name:  
Address:

EXHIBIT A PREMISES

EXHIBIT B

RENT SCHEDULES AND SECURITY DEPOSIT

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## EXHIBIT C REQUIREMENTS FOR WORK

•-; -;REQUIRE/ENTS-FGR-WORK-

### 1. Project Description

Prior to pencming nny Work for improvements to tlx- Premises (a "Project"), Signature shall provide the Cmmissione: with a written description of tho Work to Co perfo-med, including drawings, plans end specifications, the estimated coat to complete, and 1h« proposed Work schedule

### 2. Signature Cccrdination with City

(a) Siynalura shall designate a "Project Manager" who shall manage and coordinate lite Work. City shall direct all communications regarding the Work to the Project Manager.

(ta) The Commissioner shall designate a "Work Lieison' to icprosent City in ail matters relating to the performance ct the Work and to constitute the point of icceipl for all submittals, unless expressly specified otherwise herein. In all piovisions of this Exhibit in which City's written approval or consent is required, such approval or consent must be that ol the Work Liaison, unless Signature is notified in writing by the Commissioner otherwise. Any approval or consent by the Work Liaison hereunder shall not create any liability on City, in whole or in part, for the professional or technical accuracy of Signature's Work. The Commissioner shall be the fmai arbiter of any decision to be made or consent or approval to be given under this Exhibit. The Work Liaison shall further assist Signature in coorclinaiinj Signature's Work with other projects and operations ct lne Aiiport and in Signature's contacts with any Federal. Slate, or local government agencies. If requested, Signature shall provide reasonable administrative space for the Work Liaison on or contiguous ?c the work site. The Work Liaison shall provide such personnel ns may be needed from time lo time.

### 3. Standard of Performance

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

Signature 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 O'Hare Modernization Program ("OMP") Construction Standards.

Signature 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. Signature shall require its Project Contractors to replace all damaged or defective Work. Subject to the terms and conditions stated herein, Signature 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 City upon reasonable request therefore, any and all claims it may have against any contractor for failure by such contractor to comply with the standards of performance imposed upon them hereunder.

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In the event Signature or its contractors fail to comply with the above-referenced standards, Signature shall perform again, or cause to be performed again, at its own expense, any Work which is required to be re-performed as a result of such failure. Signature shall remain solely and exclusively responsible for the technical accuracy and quality of the Work, as defined herein and furnished under the Lease. This provision shall in no way be considered as a mitigation of City's claims against Signature or its contractors, either under this Agreement, at law, or in equity.

### 4. Assignment of Contracts

Prior to the Hiring by Signature of any contractors, Signature shall submit a list of pre-qualified contractors to City for review and approval, in accordance with the City's policies (but not the obligation) to review, and approve the form of Signature's construction contract with any person or firm intended to act as a contractor in connection with the performance of Work. Signature shall include in its construction contracts all provisions required by this Agreement, such provisions as may be required by law at the time any such contract is awarded and such provisions as may be reasonably requested by City, its Risk Manager, its Purchasing Agent and its legal counsel.

#### Assignment of Contracts

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

### 6- Requirements for Work

- a) Project Planning, Design, and Fabrication Phase: Signature shall submit, or cause to be submitted, at such levels as may be reasonably required by the Work Liaison, proposed drawings, plans and specifications for review and comment by the Work Liaison. Such drawings, plans, and specifications, and all amendments hereto, and the cost and schedule information to be provided by Signature under this Paragraph 8 (a), shall be subject to the approval of the Work Liaison, which approval shall not be unreasonably withheld or delayed. Any conditional approval or disapproval shall be accompanied by an explanation. If Signature intends to adopt fast track construction procedures, Signature must still complete each contract package to a reasonable level of detail (including alternate designs selected by Signature for major structural, mechanical, electrical and architectural elements) that will provide the Work Liaison adequate information upon which to base its review and approval. Signature shall not proceed with construction operations until all necessary approvals have been obtained.
- b) Signature to Provide Information: Prior to the commencement of any Work, and thereafter as often as may be necessary to provide the Work Liaison with current and complete information about the Work, Signature shall submit the Work Liaison { }

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indicating the proposed and/or actual sequence of all Work, and the estimated date of completion of the Work for each of Signature's contracts; (ii) in the site utilization plans, including limit lines, on-site storage and office areas, and proposed temporary alterations or detours and support detours intended to maintain public access and support services to, from, through or passed operating facilities at the Airport; and (iii) Signature's initial and updated cost estimates for the Work, individually and aggregated

c) Installation, Construction Start Up and Testing Phase:

(i) The Work Liaison shall have the right to require the Work to assure the Project is installed and constructed in conformity with the approved drawings, plans and specifications, and in accordance with the applicable standards thereto. In order to assist the Work Liaison in monitoring the installation, construction, start-up and testing, Signature shall submit, or cause to be submitted, to the Work Liaison copies of a

- surveys, soil borings, and field test reports,
- contracts;
- material certificates and samples; • approved shop drawings; lien waivers, payrolls, and invoices for payment by Contractors of any tier;
- progress reports;
- notification of substantial completion of the Work;
- maintenance and operations manuals in connection with building systems;
- as-built warranties,
- test and start up results; and
- any other documents related to the Work which may be reasonably requested by City.

(ii) No change order which materially changes the scope of the Work or the

Project shall be implemented by Signature without review and approval

by the Work Liaison. Any conditional approval or disapproval shall be

accompanied by an explanation.

(iii) In the event the Work Liaison determines that the Work is at material variance from the approved cost, schedule, drawings, plans, and specifications or applicable standards. Signature shall use its best efforts to expeditiously resolve such variance through immediate consultation with its contractors. Until it has been determined by the Work Liaison that the Work has been performed without material variance from the approved cost, schedule, drawings, plans and specifications and applicable standards, the Work Liaison may, by written notice to Signature, (i) suggest to Signature that Signature withhold payments from any contractor with has performed, in the judgment of the Work Liaison, Work which is at material variance from the approved cost, schedule, drawings, plans, and specifications, or applicable standards or (ii) suggest to Signature that it stop Work where it is directly affected by such variance from the approved costs, schedule, drawings, plans, specifications and applicable standards. If Signature's response is unacceptable in the reasonable opinion of the

Work Liaison, the Work Liaison shall have the right to direct Signature; to stop any other Work that is at variance with the approved cost, schedule.

- - drawings, plans, and specifications OMS\_pr .app  
affected Work is corrected or replaced. .... 7". ~"

Any work which is at material variance from the approved cost, schedule, drawings, plans, and specifications or applicable standards shall be corrected or replaced by Signature, directly or through its contractors, provided that the Work Liaison has informed Signature of such variance within ten (10) business days following the performance of such Work, unless the variance affects the structural integrity or safety of the Work or the variance could not have been discovered with due diligence, in which case the Work Liaison shall inform Signature of such variance as soon as reasonably practicable. If such Work is not corrected or

replaced with City's own forces or otherwise at the expense of Signatory, provided that in the event such Work cannot be corrected or replaced within said thirty (30) day period. Signatory shall be afforded with such additional time as the Work Liaison may determine to be reasonably necessary to correct or replace such Work.

## 7. Ownership

City shall be and become the owner of the Work upon the City's acceptance thereof. 8 No Damages for Delay

Signatory agrees and shall cause its contractors to agree that claims for damages or charges for additional costs or fees shall not be made against City by Signatory or its contractors, absent bad faith, fraud, or direct tortious interference, for costs incurred by reason of delays, disruptions, or hindrances in the contractors' Work. In the event that any contractor is delayed by causes beyond the reasonable control of such contractor, the Work schedule for the performance of the Work may be extended by Signatory with City approval to reflect the extent of such delay, provided that Signatory shall be given City written notice within ten (10) days of the commencement of such delay and shall have received City's written approval of the extension, which approval shall not be unreasonably withheld. Such notice by Signatory shall include a description of the reasons for the delay and the steps to be taken by Signatory and Contractor to mitigate the effect of such delay on the Project schedule. City's permitting any Contractor to proceed with its Work, or any part thereof, after such extension shall in no way operate as a waiver of any other rights on the part of City. City shall not be responsible to Signatory or its contractors for any claims for damages or charges for additional costs or fees incurred by reason of delays, disruptions, or hindrances caused by Signatory's bad faith, fraud, or direct tortious interference with its contractors.

## 9- Performance and Payment Bonds

Signatory 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 contract. Such bonds shall comply with the provisions of 30 ILCS 550/1, as amended and Section 2-19-030 of the Chicago Municipal Code. The bond shall be in the same form and content as provided by City. The surety issuing such bond shall be acceptable to City's Risk Manager. City and Signatory shall be named as co-obligees on all such bonds; provided, however, that City shall be named as primary co-obligee.

## 10. 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 dune banks, all possible steps must be taken to ensure their integrity throughout the period of construction activity.

The contractor shall notify the City's owner at least 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.

## 11. Protection of Utilities

(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 damaged as a result of any act, or omission to act, of the contractor may, at the option of the City department, utility company, or other party owning or operating such utility, equipment or structures damaged, be repaired by such City department, utility company, or other party and in such event the cost of such repairs shall be borne by the contractor.

2. General Conditions

Signature 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, 1897, as may be revised, including without limitation, Articles VI, XIV, XV and XIX.

(3. Additional Local Requirements. (a) Veterans Preference:

- i) Signature shall insure that the following provision is inserted in all contracts entered into with any contractors and labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any material, labor, or services in connection with the improvements.
- ii) Signature shall comply with the provisions of 330 ILCS 55/0.01 et seq. which requires that a preference be given to veterans in the employment

and appointment to fill positions in the construction, acquisition, or alteration of all public Works. In the employment of labor (except executive, administrative and supervisory positions) preference shall be given to veterans of the Vietnam era and disabled veterans; "however" this preference may be given only where the individuals are available and qualified to perform the Work in which the employment is.

b) Steel Products:

- (i) This Lease shall be subject to the provisions of the "Steel Product Procurement Act", 30 ILCS 5661/1 et seq, as it may be amended from time to time. Steel products used in the improvements shall be manufactured or produced in the United States.
- (ii) For the purposes of this Section, "United States" means the United States and any place subject to the jurisdiction thereof and "Steel Products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated, or otherwise similarly processed or processed by a combination of two or more such operations, from steel made in the United States by the open hearth, basic oxygen, electro furnace, Bessemer or other steel making processes. Knowing violation of this Section may result in the filing and prosecution of a complaint by the Attorney General of the State of Illinois and shall subject violators to a fine of not more than \$5,000 or the payment of the price as received as a result of such violation.

c) MacBride Principles Ordinance

- i) The City of Chicago through the passage of the MacBride Principles Ordinance seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provides a better working environment for all citizens in Northern Ireland.
- ii) In accordance with Section 2-92-500 of the Code, if Signature conducts any business operations, 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).

d) Occupational Safety and Health Act, 10 U.S.C. 333; 29 C.F.R. 1926.1.

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

f) Illinois Environmental Protection Act, 415 ILCS 5/1.

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

h) Criminal Code provisions applicable to public Works contracts, 720 ILCS <<http://www.ilcs.com>> 5/33E.

(i) Public Works Projects Act, 30 ILCS 570/0.01.

(j) Deduction from Wages, 820 ILCS 115/9.

(k) Section 2-92-250 of the Municipal Code of Chicago (Retainage). (l) Section 2-92-415 of the Municipal Code of Chicago (Child

Support)

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(r) Section "&M-:M)~a<' "ihe -fv'ir>ipa! Code of""Chicago': '(ChTcaffb" Residency ^equii-enient).

EXHIBIT D INSURANCE REQUIREMENTS  
EXHIBIT D

**INSURANCE REQUIREMENTS**

**Chicago Department of Aviation Signature Flight Support  
Corporation Lease at Chicago Midway Airport**

Signature must provide and maintain at Signature's own expense or cause to be maintained, during the term of the Lease and on any earlier date Signature is permitted to enter onto the Leased Premises, and until each and every obligation of Signature contained in this Lease has been fully performed (including any time period following expiration if Signature is required to return and perform any additional work), the insurance coverages and requirements specified below, insuring all operations under this Lease.

**A. INSURANCE TO BE PROVIDED BY SIGNATURE**

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, 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 \$500,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$50,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, independent contractors, explosion, collapse, underground, separation of insured, defense, and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Lease.

Contractors and subcontractors performing work for Signature must maintain limits of not less than \$5,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with this Agreement, the Signature must provide Automobile Liability Insurance with limits of not less than \$5,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

Contractors and subcontractors performing work for Signature must maintain limits of not less than \$5,000,000 with the same terms herein.

4) Pollution Legal Liability

Pollution Legal Liability Insurance must be provided covering bodily injury, property damage and other losses caused by pollution conditions that arise from the Agreement scope of

services with limits of not less than \$5,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede start of work in connection with the Lease. A claims-made policy which is not renewed or replaced must have an extension of two (2) years. The City of Chicago is to be named as an additional insured.

5) All Risk Property

Signature must maintain All Risk Property Insurance including improvements and betterments at full replacement cost covering all loss, damage or destruction to the Leased Premises. Coverage must include but are not limited to the following: Business income, water including leakage, overflow, sewer backup and seepage, collapse, boiler and machinery, earth movement and flood. The City of Chicago is to be named as an additional insured and loss payee.

Signature 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 Signature.

Signature is responsible for all loss or damage to City of Chicago property at full replacement cost that results from this Lease.

6) Builders Risk

When Signature undertakes any construction, including improvements, betterments, and/or repairs, Signature must provide or cause to be provided, All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility/project. Coverages must include but are not limited to the following: material stored off-site and in-transit, right to partial occupancy, boiler and machinery, earth movement, flood, water including overflow, leakage, sewer backup or seepage, utility services, collapse, debris removal, faulty workmanship or materials, testing, mechanical-electrical breakdown and other consequential loss, when applicable. The City of Chicago is to be named as an additional insured and loss payee.

7) Professional Liability

When any architects, engineers, construction 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 \$2,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede start of work or services related to the Lease. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

8) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Lease, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.



9) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, Contractors Pollution Liability must cause to be provided or cause to be provided, covering bodily injury, property damage and other losses caused by pollution conditions that arise from the work performed with limits of not less than \$1,000,000 per occurrence. Coverage must include underground storage tanks, completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. 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. The City of Chicago is to be named as an additional insured.

**B. ADDITIONAL REQUIREMENTS**

Signature must furnish the City of Chicago, Department of Finance, Risk Management Division, 333 South State Street, Room 400, Chicago, Illinois 60604 and Department of Aviation, O' Hare Airport, 10510 West Zemke Road, Chicago, Illinois 60666, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Lease, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Lease. Signature must submit evidence of insurance on the City of Chicago Insurance Certificate Form or another form acceptable to the City prior to execution of 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 Lease requirements. The failure of the City to obtain certificates or other insurance evidence from Signature is not a waiver by the City of any requirements for Signature to obtain and maintain the specified coverages. Signature must advise all insurers of the Lease provisions regarding insurance. Non-conforming insurance does not relieve Signature of the obligation to provide insurance as specified herein. Non-fulfillment of the insurance conditions may constitute a violation of the Lease, and the City retains the right to stop work until proper evidence of insurance is provided, or the Lease may be terminated.

Signature must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Signature, Contractors and/or Subcontractors.

Signature hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Signature, Contractors and/or Subcontractors in no way limit Signature's, Contractor's and/or Subcontractor's liabilities and responsibilities specified within the Lease documents or by law.

Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by Signature under the Lease.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

If Signature is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Signature must require Contractors and Subcontractors to provide the insurance required herein, or Signature may provide the coverages for the Contractors and/or Subcontractors. The Contractors and Subcontractors are subject to the same insurance requirements of Signature unless otherwise specified herein.

If Signature, Contractors and/or Subcontractors desire additional coverages, Signature, and each Contractor and/or Subcontractor are responsible for the acquisition and cost of such additional protection.

Notwithstanding any provisions in the Agreement to the contrary, the City of Chicago Risk Management Division maintains the right to modify, delete, alter or change these requirements.