Office of the City Clerk

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Legislation Details (With Text)

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Sponsors:	Emanuel, Rahm		
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Date	Ver.	Action By	Action	Result
12/13/2017		City Council	Passed	Pass
11/21/2017	1	City Council	Referred	

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

November 21, 2017

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

Ladies and Gentlemen:

At the request ofthe Commissioner of Aviation, I transmit herewith an ordinance authorizing new rates and requirements for air carriers at O'Hare International Airport and associated Municipal Code amendment.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

ORDINANCE

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

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

WHEREAS, the City heretofore entered into the Amended and Restated Airport Use Agreement and Terminal Facilities Leases and the International Terminal Use Agreement and Facilities Leases at O'Hare with certain air carriers ("Existing Use Agreements"); and

WHEREAS, the Existing Use Agreements will expire on May 11, 2018, so it is necessary and desirable for the City to adopt an ordinance governing air carrier use of the airfield and passenger airline terminals at O'Hare and prescribing the methodology for charging air carriers for such use (the "O'Hare Rates and Operations Ordinance"); and

WHEREAS, the City, as the owner and operator of O'Hare, has the right to establish airport rates and charges by ordinance; and

WHEREAS, because the City accepts federal grants under the Airport Improvement Program and is otherwise subject to federal law, any rate-setting methodology in such an ordinance adopted by the City must satisfy federal rate-setting rules and be reasonable and not unjustly discriminatory, and the City must engage in consultation with air carriers that will be subject to the rate-setting methodology in the ordinance before adopting same; and

WHEREAS, the City has engaged in such consultation with air carriers in its development ofthe rate-setting methodology set forth in Section II ofthe O'Hare Rates and Operations Ordinance; and

WHEREAS, tor illustrative purposes only, the City has attached hereto as Exhibit A demonstrative rate calculations based on the rate-setting methodology set forth in Section II of the O'Hare Rates and Operations Ordinance ("Illustrative Rate Calculations"); and

WHEREAS, as contemplated by the O'Hare Rates and Operations Ordinance, the City desires to enter into Letters of Authorization with air carriers who seek to operate at O'Hare in substantially the forms attached hereto as Exhibit B and Exhibit C ("Letters of Authorization""); and

WHEREAS, while it is not obligated to do so by federal requirements, the City may also enter into Rate Agreements with air carriers in substantially the form attached hereto as Exhibit D ("Rate Agreements"), in which the City would offer to share certain revenues and losses with said air carriers and apply certain revenues to offset air carrier costs in exchange for certain covenants by said air carriers confirming their acceptance ofthe O'Hare Rates and Operations

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Ordinance, including without limitation a covenant to not challenge the methodology for calculating air carrier rates and charges; now. therefore,

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

SECTION 1. Title. This ordinance shall be known and may be cited as the "Ordinance" or the "O'Hare Rates and Operations Ordinance."

SECTION II. Rates and Operations. This section of the Ordinance (hereinafter, the "Rates and Operations Section") is divided into eight Articles, as follows:

Article 1 General Provisions
Article 2 Definitions
Article 3 Permitted Uses of the Airport
Article 4 Assignment of Space
Article 5 Calculation of Rates and Charges
Article 6 Payment of Rentals, Fees and Charges and Security Deposit
Article 7 Additional Obligations of Air Carriers
Article 8 Notices

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Article 1

GENERAL PROVISIONS

1 Applicability. This Ordinance applies to every Air Carrier using the Airport.

2 Use Constitutes Consent. Use by any Air Carrier of the Airfield or any Terminal on and after the Effective Date constitutes (a) consent by the Air Carrier to comply with the terms and conditions of this Ordinance, and (b) agreement by the Air Carrier to pay all charges specified by, and to be governed by all requirements set forth in, this Ordinance.

3 Passenger Carrier's Use of Space. The City will determine what space within each Terminal may be used by each Passenger Carrier, and the City's determination shall be binding on each Passenger Carrier.

4 Use Does Not Create Any Property Right. Use by any Passenger Carrier of space in the Terminal or other Airport facility under the terms of this Ordinance creates no right to or interest in property, either of occupancy or possession, legal or otherwise. Any Passenger Carrier using space at the Terminal pursuant to this Ordinance may be required by the City to terminate its use at any time, unless otherwise specified in a Letter of Authorization.

5 Letter of Authorization. Any Air Carrier seeking to use the Airfield or any Terminal on and after the Effective Date must execute a Letter of Authorization. The Letter of Authorization will contain the City's assignments of Exclusive Use Space and Preferential Use Space for a Passenger Carrier's use, if any, subject to the terms and conditions specified in the Letter of Authorization. The term of a Letter of Authorization shall not exceed one (1) year, except that the term of an Air Carrier's first Letter of Authorization may extend through December 31, 2019.

6 Action by the City. Any provision in this Ordinance that requires action or an exercise of power by the City may be performed by the Commissioner or her or his designee, unless otherwise specified in this Ordinance.

7 Modification. The City may modify this Ordinance at any time, after consultation with the Air Carriers

through the AAAC, and publication of proposed modifications on the Department of Aviation's website for at least thirty (30) days. Any modification of this Ordinance shall take effect upon the effective date ofthe City Council approval. The City shall provide notice to Air Carriers and shall publish the modification on the Department of Aviation's website.

8 Implementation and Enforcement. The Commissioner is authorized to take such actions, including the promulgation of rules, necessary for the implementation and enforcement of this Ordinance.

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Article 2

DEFINITIONS

2.1 Definitions

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

"AAAC" or "Airline Airport Affairs Committee" means the Airline Airport Affairs Committee consisting of designated representatives of Air Carriers operating at the Airport.

"Activity-Based Terminal Charges" means Airport Fees and Charges calculated under Sections 5.3 and 5.1 I through 5.14.

"Aeronautical Service Provider" means any entity providing commercial aeronautical services to one or more Air Carriers with the approval ofthe City.

"Affiliate" means an Air Carrier providing air service at the Airport that (a) has been properly designated as an Affiliate in accordance with another Air Carrier's Letter of Authorization, and either (b) is a parent or subsidiary of the designating Air Carrier or a subsidiary of said Air Carrier's parent company or under the same parental control as said Air Carrier, or (c) to the extent that it:

i) operates flights under an International Air Transport Association (IATA) flight designator code ofthe Air Carrier designating it as its Affiliate; or

ii) otherwise operates under essentially the same trade name ofthe Air Carrier designating it as its Affiliate and uses essentially the same livery as said Ait-Carrier; or

iii) operates cargo feeder flights at the Airport under the direction and control of the Air Carrier designating it as its Affiliate.

"Air Carrier" means a carrier certificated by the Secretary of the U.S. Department of Transportation as a Passenger Carrier under 49 U.S.C. § 41102 or a Cargo Carrier under 49 U.S.C. §41 103.

"Air Transportation Business" means that business operated by an Air Carrier at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.

"Airfield" means those areas of the Airport that provide for the landing, taking off, taxing and parking of aircraft, and all facilities, equipment and improvements now or hereafter located thereon, including the runways, taxiways, Apron

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Areas and facilities at the Airport.for the purpose of controlling and assisting arrivals, departures and operations of aircraft using the Airport, such as control towers or other facilities operated and maintained by the FAA or any other federal agency, security fences, service roads, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids

to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from but related to the rest of the Airfield as all such areas, facilities, equipment and improvements may be modified, improved, or enlarged from time to time by the City.

"Airfield Revenue Requirement" means the Airfield Revenue Requirement calculated in accordance with Section 5.3.1.

"Airline Airport Affairs Committee" or "AAAC" means the Airline Airport Affairs Committee consisting of a designated representative by each Air Carrier operating at the Airport.

"Airline Alliance" means the Star Alliance, SkyTeam, oneworld and similar airline partnerships.

"Airline Rentable Space" means any areas in a Terminal that are available for assignment to Passenger Carriers on an exclusive, preferential or common use basis, plus any areas in a Terminal that are available to other Aeronautical Service Providers on a month-to-month basis.

"Airline Rentable Space Ratio" means the Airline Rentable Space Ratio as defined in Section 5.4.3(a)(i).

"Airline Terminal Space Revenue Requirement" means, for each Terminal, the Airline Terminal Space Revenue Requirement calculated in accordance with Section 5.4.3.

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

"Airport Fees and Charges" means, for any Fiscal Year, all rents, charges and fees payable by all Air Carriers for such Fiscal Year as determined and adjusted pursuant to Article 5.

"Airport Roadway System" means the system of roads operated and maintained by the City for Airport public access within the boundaries ofthe Airport, including terminal access roadways up to the terminal curbside and other Airport access roadways on Airport property, except for roadways located in the Airfield, aeronautical and commercial areas and CONRAC facilities, as all such paved areas may be modified, improved, or enlarged from lime to time by the City.

""Airport Rules" means, collectively, all rules, procedures, protocols, requirements and regulations currently effective and hereinafter amended, adopted or established by the City applicable to Airport operations and users, all of which are incorporated into and made a part of this Ordinance.

"Alliance Partner" means a Passenger Carrier that (a) is a member ofthe same Airline Alliance as another Passenger Carrier and (b) has been designated an Alliance Partner by such other Passenger Carrier under its Letter of Authorization.

"Amortization" of City investments of Airport funds means the amount of each such City investment amortized on the basis of the economic life of each capital improvement that is the subject of such City investment beginning in the first year the asset or improvement is placed into service.

"Apron Areas" means the paved areas surrounding the Terminal Complex intended for use by aircraft or aircraft servicing equipment used by Passenger Carriers, including hardstand positions and the paved areas available for use in common by or for the benefit of the Cargo Carriers, as all such paved areas may be modified, improved, or enlarged from time to time by the City.

"Arriving Domestic Seats" means all Delivered Arriving Seats on domestic flights or international flights without FIS Users.

"Assigned Space" means Common Use Space assigned to a Passenger Carrier by the City under this Ordinance and any Exclusive Use Space and Preferential Use Space assigned to a Passenger Carrier by the City under a Letter of Authorization; provided, however, that in the case of Common Use Space, such areas will only constitute "Assigned Space" during the period of time for which a Passenger Carrier has the right to use such areas.

"Associated Party(ies)" means an Air Carrier's employees, contractors, subcontractors, agents, licensees, Affiliates, vendors, invitees (excluding passengers), any other Air Carrier that the Air Carrier expressly authorized to use its Assigned Space, and other parties under the Air Carrier's direction or control that come onto the Airport arising out of or relating to Air Carrier's use of the Airport, but excluding Air Carriers that the Air Carrier is compelled by the City to accommodate within the Air Carrier's Assigned Space.

"Automated Transit System" or "ATS" means the landside Airport Transit System at Chicago O'Hare International Airport.

"Baggage Claim Space" means the footprint of the Baggage Claim Systems and proximate circulation space designated by the Commissioner, as such designations may be adjusted from time to time by the City.

"Baggage Claim Systems" means all the equipment that delivers Inbound Checked Bags from inbound aircraft to arriving passengers and including baggage claim devices and interline belts.

"Baggage Make-up Space" means the footprint ofthe Baggage Make-up Systems plus proximate circulation space designated by the Commissioner sufficient to accommodate the movement and parking of tugs and carts as well as any other operations required to operate and use the Baggage Make-Up Systems, as such designations may be adjusted from time to time by the City.

"Baggage Make-up Systems" means all the equipment that delivers Outbound Checked Bags from passenger check-in areas through and including checked bag security screening devices, baggage make-up devices and interline belts.

"Bond Indenture" means the Master Indenture of Trust Securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations, dated as of September 1, 2012, as the same may be amended, supplemented and restated from time to time, and any ordinance, credit agreement or indenture, or combination thereof adopted or authorized by the City Council ofthe City authorizing the issuance of notes, bonds or other obligations for the Airport and

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securing such obligations by a pledge of revenues or net revenues of the Airport, or any ordinance or indenture supplemental thereto.

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

"Capital Costs" means all costs related to the acquisition, construction or improvement of Airport assets, including the following:

a) Debt Service net of pledged PFC revenues, grants and other applicable adjustments;

b) Debt Service Coverage on such Debt Service;

c) Program fees and other costs of borrowing not included in Debt Service;

d) Amortization of recurring amounts of Airport funds invested by the City in projects to maintain the Airport in a state of good repair, excluding amortization of investments funded by Debt Service Coverage collected by the City in prior Fiscal Years; and

e) Equipment purchases and small capital outlays if not otherwise classified as an O&M Expense.

"Cargo Carrier" means a carrier certificated by the Secretary of the U.S. Department of Transportation as a Cargo Carrier under 49 U.S.C. § 41 103.

"CDA" or "Department of Aviation" means the Chicago Department of Aviation, or any successor agency thereto.

"Check-in Hours" means the number of hours that a Passenger Carrier has been assigned by the City or actually uses a check-in, drop-off or queuing position within Common Use Check-in Space.

"Check-in Space" means the space in the Terminals for passenger check-in. including the space used for counters, self-service kiosks and passenger and baggage check-in queuing

space, designated by the Commissioner, as such designations may be adjusted from time to time by the City.

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

"City Equipment" means moveable or permanent fixtures, furniture, technology systems, including SET components used by individual Passenger Carriers, and equipment located on or affixed to Passenger Carrier's Assigned Space, or elsewhere at the Airport, purchased, constructed or rented by the City or otherwise provided at the cost or expense ofthe City which the City makes available for use by a Passenger Carrier subject to the City Equipment Charge and Section 3.6.

"City Equipment Charges" means standardized cost-recovery based fees calculated annually by the City for the use of City Equipment.

"City Equipment Costs" means the Capital Costs, O&M Expenses, rental payments made by the City and any other cost or expense of the City allocable to City Equipment, including millwork.

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"City Janitorial Costs" means all of the costs the City incurs to provide janitorial services.

"Commissioner" means the Commissioner of the Department of Aviation, his or her designee, or any successor to the duties of such official.

"Common Use Baggage Claim Space" means the Baggage Claim Space in the Terminals designated by the Commissioner to be used in common by Passenger Carriers for arriving domestic flights or arriving international flights not carrying FIS Users, as such designations may be adjusted from time to time by the City.

"Common Use Check-in Space" means Check-in Space designated by the Commissioner to be used in common by Passenger Carriers. Common Use Check-in Space may be separately designated by the City as Domestic and International.

"Common Use Gate" means the Gates designated by the Commissioner, in accordance with this Ordinance and the Terminal Space Use Protocols, to be used in common by Passenger Carriers operating at the Airport, and shall not be deemed to include any Preferential Use Gates, as such designations may be adjusted from time to time by the City. Common Use Gates may be separately designated by the City as Domestic and International.

"Common Use Space" means those areas designated by the Commissioner within the Terminal Complex, including Common Use Gates (and associated Gate Ramps and Apron Areas), Common Use Check-in Space, Common Use Baggage Make-up Space, and Common Use Baggage Claim Space that are made available by the City to one or more Passenger Carriers, as such designations may be adjusted from time to time by the City. Common Use Space may be separately designated by the City as Domestic and International.

"CONRAC" or "Consolidated Rental Car Facility" means the portion of the joint use facility and equipment that constitutes the consolidated rental car facility at the Airport.

"Consolidated Rental Car Facility" or "CONRAC" means the portion of the joint use ' facility, and equipment that constitutes the consolidated rental car facility at the Airport.

"Contractors" means a person or firm hired by an Air Carrier to act as an agent or independent contractor, whether or not the Air Carrier is reimbursed by the City for costs of hiring such person or firm, as well as subcontractors of any such agent or independent contractor, in connection with or pursuant to the performance of any acts or obligations under this Ordinance or a Letter of Authorization.

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

"Debt Service" means, collectively, debt service on GARBs and any other debt service on indebtedness payable from Revenues, net of capitalized interest.

"Debt Service Coverage" means ten percent (10%) or such higher percentage (if any) required by the Bond Indenture (as it may be amended or supplemented) of the Debt Service on GARBs net of PFC revenues, grants and other applicable adjustments.

"Delivered Arriving International Seats Without FIS Users" means all Seats on arriving flights to the Airport actually delivered by Passenger Carriers from destinations outside of the United States but on which passengers are not required to go through immigration, customs, and agriculture inspections at the Airport.

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"Delivered Arriving Scats" means all Seats on flights arriving at the Airport actually delivered by Passenger Carriers.

"Delivered Departing Seats" means all Seats on departing flights from the Airport actually delivered by Passenger Carriers.

"Department of Aviation" or "CDA" means the Chicago Department of Aviation, or any successor agency thereto.

"Domestic Common Use Baggage Make-up Space" means the Baggage Make-up Space in the Terminals designated by the Commissioner to be used in common by Passenger Carriers for processing of outbound baggage on domestic flights, as such designations may be adjusted from time to time by the City.

"Domestic Common Use Check-in Fees" means the Domestic Common Use Check-in Fees calculated pursuant to Section 5.1 1.5.

"Domestic Common Use Check-in Space" means the Check-in Space designated by the Commissioner to be used in common by Passenger Carriers for domestic passenger check-in, as such designations may be adjusted from time to time by the City.

'"Domestic Common Use Gate" means a Domestic Gate that the City has designated as a Common Use Gate, as such designations may be adjusted from time to time by the City.

"Domestic Common Use Holdroom Space" means the Holdroom Space associated with a Domestic Common Use Gate designated by the Commissioner for the staging of passengers waiting to board an aircraft at the Domestic Common Use Gate, as such designations may be adjusted from time to time by the City.

"Domestic Gate" means any Gate that has not been designated as an International Gate by the City.

"Exclusive Use Space" means any office space, operation space, storage area, VIP Lounges, employee break room, baggage service office or other areas of the Terminal Complex designated by the City in a Letter of Authorization for a Passenger Carrier's exclusive use.

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

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

"Final Accounting" means the annual calculation and reconciliation of actual revenues and expenditures and the final rates and charges for each Air Carrier for the preceding Fiscal Year as further specified in Section 5.18.

"FIS Facilities" means the federal inspection services facilities wherever located in any Terminal, including the sterile corridors connecting any such facilities to International Gates as they may be adjusted from time to time by the City.

"FIS Facility Fees" means the FIS Facility Fees calculated pursuant to Section 5.12.

"FIS User" means passengers (excluding flight crew) including pre-cleared passengers arriving on international

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flights who are required to use the FIS Facilities for immigration or customs purposes.

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

""Fixed Terminal Charges" means the Airport fees and charges calculated under Section 5.5 through 5.10.

""GARBs" or "Airport Revenue Bonds" means any bonds, commercial paper notes, credit agreement notes and any other debt obligations ofthe City, outstanding at any time having a lien on Revenues as provided in the Bond Indenture.

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"Gate" means an area of the Terminal made up of Holdroom Space and a portal or stairwell, if any, through which passengers must pass to board or disembark an aircraft and the associated Gate Ramp.

"Gate Ramp" means the Apron Area associated with a Gate.

"Gross Terminal Revenue Requirement" means for any Fiscal Year, the Gross Terminal Revenue Requirement established for such Fiscal Year pursuant to Section 5.4.

"Holdroom Space" means the area associated with a Gate for the staging of passengers waiting to board an aircraft at the Gate.

"IATA" means the International Air Transport Association, a trade association of the world's airlines that is currently headquartered in Montreal, Quebec, Canada with executive offices in Geneva, Switzerland.

"Inbound Checked Bags" means inbound bags or other checked items delivered on Baggage Claim Systems.

"Interest Income" means any interest on, and any gain realized from the investment of, moneys in any funds created pursuant to the Bond Indenture or this Ordinance.

"International Common Use Baggage Make-up Space" means the space in the Terminals designated by the Commissioner to be used in common by Passenger Carriers for processing of outbound baggage on international flights, as such designations may be adjusted from time to time by the City.

"International Common Use Check-in Fees" means the International Common Use Check-in fees calculated pursuant to Section 5.1 1.6.

"International Common Use Check-in Space" means the Common Use Check-in Space designated by the Commissioner to be used in common by Passenger Carriers for international passenger check-in, as such designations may be adjusted from time to time by the City.

"International Common Use Gate" means an International Gate that the City has designated as a Common Use Gate, as such designations may be adjusted from time to time by the City.

"International Common Use Holdroom Space" means the Holdroom Space associated with an International Common Use Gate.

"International Gate" means a Gate with direct passenger access to l-'IS Facilities that has currently been

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designated by the City for international operations, as such designations may be adjusted from time to time by the City.

"Landing Fee" means the Landing Fee calculated pursuant to Section 5.3.

"Landing Fee True-up" means the aggregate amount to be debited to or credited to the Airfield Revenue Requirement in accordance with Section 5.18.2.

"Letter of Authorization" means the instrument that must be executed by any Air Carrier using the Airfield or the Terminals, including any Passenger Carrier requesting and receiving from the City an assignment of Preferential Use Space or Exclusive Use Space, as more fully described in Section 1.5.

"Light Maintenance" means aircraft servicing and inspections that regularly occur on the terminal apron and unscheduled repairs necessary for continuing flight.

"Main Terminal" means the terminal buildings, associated concourses and facilities, other than Terminal 5, as all such facilities may be modified, improved, or enlarged from time to time.

"Maximum Gross Landed Weight" or "MGLW" means the maximum certificated weight, in thousand pound units, at which each aircraft operated by an Air Carrier is authorized by the FAA to land at the Airport, as certified by the aircraft's manufacturer and recited in the Air Carrier's flight manual governing that aircraft type.

"MGLW" or "Maximum Gross Landed Weight" means the maximum certificated weight, in thousand pound units, at which each aircraft operated by an Air Carrier is authorized by the FAA to land at the Airport, as certified by the aircraft's manufacturer and recited in the Air Carrier's flight manual governing that aircraft type.

"Monthly Activity Report" is the accurate summary report prepared by an Air Carrier describing the Air Carrier's operations (and the operations of said Air Carrier's Affiliates, if any) at the Airport during the month preceding the month in which the summary is submitted to the City, signed by an authorized representative of the Air Carrier certifying the accuracy of the information set forth therein, and submitted by the Air Carrier to the City in accordance with Section 5.19.1.

"Non-Airline Rentable Space" means any areas in a Terminal that are available for lease by occupants other than Passenger Carriers and Aeronautical Service Providers for commercial operations.

"Non-Airline Terminal Space Revenue Requirement" means, for each Terminal, the Non-Airline Terminal Space Revenue Requirement calculated in accordance with Section 5.4.3.

"O&D Passenger" means a passenger who is originating or concluding their (light itinerary at the Airport and not connecting to or from another airport.

"O&M Expenses" means the costs incurred by the City in operating and maintaining the Airport's facilities.

"Originating Bags" means bags checked by passengers originating their flight itinerary at the Airport.

"Other Airfield Revenues" means revenues collected by the City for the aeronautical use ofthe Airfield other than

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Landing Fees, including but not limited to aircraft tie-downs fees, aircraft parking fees and general aviation landing fees.

"Outbound Checked Bags" means outbound bags or other checked items (including bags transferred aircraft-to-aircraft if the bags entered the outbound baggage system) delivered on Baggage Make-up Systems.

"Passenger Carrier" means a Passenger Carrier certificated by the Secretary of the U.S. Department of Transportation under 49 U.S.C. § 41102.

"Passenger Facility Charge" or "PFC" means the passenger facility charge authorized under 49 U.S.C. § 401 17 or any predecessor or successor law, and as approved by the FAA from time to time with respect to the Airport.

"Passenger Loading Bridge" or "PLB" means a passenger loading bridge and its preconditioned air system(s), ground power supply unit(s) and other related equipment attached to a concourse at a Gate.

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

"PLB" or "Passenger Loading Bridge" means a passenger loading bridge and its preconditioned air system(s), ground power supply unit(s) and other related equipment attached to a concourse at a Gate.

"Preferential Use Baggage Claim Space" means Baggage Claim Space assigned to a Passenger Carrier in a Letter of Authorization.

"Preferential Use Baggage Make-up Space" means Baggage Make-up Space assigned to a Passenger Carrier in a Letter of Authorization.

"Preferential Use Check-in Space" means Check-in Space assigned to a Passenger Carrier in a Letter of Authorization.

"Preferential Use Gate" means a Gate assigned by the City to a Passenger Carrier for preferential use-in accordance with the terms and conditions of a Letter of Authorization.

"Preferential Use Space" means those areas within the Terminal Complex and Apron Area, including Preferential Use Gates, Preferential Use Baggage Make-up Space, Preferential Use Baggage Claim Space and Preferential Use Check -in Space, to which a Passenger Carrier has a higher priority of use over all other Passenger Carriers as more fully described in the Letters of Authorization and Terminal Space Use Protocols.

"Prior Use and Lease Agreement" means the Chicago-O'Hare International Airport Amended and Restated Airport Use Agreement and Terminal Facilities Lease with a stated expiration date of May II. 2018 ("Main Terminal Prior Use and Lease Agreement") or

International Terminal Use Agreement and Facilities Lease with a stated expiration date of May 11, 2018 ("Terminal 5 Prior Use and Lease Agreement"), or other substantially similar agreement to use or lease the Terminal Complex or the Airfield.

"Required Deposits" means deposits to establish or replenish any funds or accounts required by the Bond Indenture.

"Revenues" means "Revenues" as defined in the Bond Indenture.

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"Runways" means paved areas at the Airport designated for the landing and taking-off of aircraft, including all associated safety areas.

"Scat" means a seat on an aircraft arriving or departing from the Airport other than those seats reserved in the flight deck or aircraft cabin for members ofthe flight crew.

"SET" or "Shared Equipment and Technology" means equipment owned and installed by the City for use in passenger processing, including without limitation equipment casework, flight information displays ("FIDS"), gate information displays ("GIDS"), the baggage information display system ("BIDS"), boarding gate readers, passenger processing workstations, seating and self-service kiosks (for boarding passes and bag tagging), and other shared use technology (such as a reservation system portal open to all Passenger Carriers at the Airport).

"Shared Equipment and Technology" or "SET" means equipment owned and installed by the City for use in passenger processing, including without limitation equipment casework, flight information displays ("FIDS"), gate information displays ("GIDS"), the baggage information display system ("BIDS"), boarding gate readers, passenger processing workstations, seating and self-service kiosks (for boarding passes and bag tagging), and other shared use technology (such as a reservation system portal open to all Passenger Carriers at the Airport).

""Taxiways" means paved areas designated as taxiways and taxilanes at the Airport for the ground movement of aircraft to, from and between the Runways, aircraft parking areas and other portions ofthe Airport.

"Terminal" means the Main Terminal or Terminal 5.

"T-5" or "Terminal 5" means the terminal buildings, associated concourses and facilities designated as Terminal 5 of the Airport, as all such facilities may be modified, improved, enlarged or renamed from time to time.

"Terminal Complex" means the Main Terminal and Terminal 5.

"Terminal Charges" means the charges calculated pursuant to Sections 5.4 through
5.13.

"Terminal Rental Rate" means, for any Fiscal Year, the Terminal Rental Rate established for such Fiscal Year pursuant to Section 5.4.

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'Terminal Space Revenue Requirement" means for any Fiscal Year, the Terminal Space Revenue Requirement established for such Fiscal Year pursuant to Section 5.4.

"Terminal Space Use Protocols" means the City's policies and rules governing priorities, procedures and requirements for the assignment and use of Common Use Space and Preferential Use Space in the Terminal and on the Apron Area, including Gate, Check-in, and Baggage-Systems use, assignment, scheduling and accommodation, as the same may be amended from time to time by the Commissioner with reasonable notice to the Air Carriers operating at the Airport.

"Total Delivered Seats" means the sum of Delivered Arriving Seats and Delivered Departing Seats.

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"Total Rentable Space" means, for each Terminal, the sum of Airline Rentable Space plus Non-Airline Rentable Space.

"VIP Lounge" means those areas of Exclusive Use Space used by Passenger Carriers to provide premium services to their passengers, as more fully described in the Letters of Authorization.

2.2 Interpretation

The terms "hereby," "herein," "hereof," "hereunder" and any similar terms used in this Ordinance refer to this Ordinance.

The term "including" shall be construed to mean "including, without limitation."

All references in this Ordinance to Articles, Sections, subsections, clauses, provisions, sentences or exhibits, unless otherwise expressed or indicated, are to Articles, Sections, subsections, clauses, provisions, sentences or exhibits of this Ordinance.

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

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

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

All references to a number of days means calendar days, unless otherwise expressly indicated.

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

Article 3

PERMITTED USES OF THE AIRPORT

1 **Generally**

Subject to the provisions of this Ordinance, including without limitation operating procedures and protocols that

may be imposed by the Commissioner from time to time for the safe and secure operation ofthe Airport, an Air Carrier, by paying all required Airport Fees and Charges and complying with the responsibilities and obligations required in this Ordinance, shall be permitted to conduct its Air Transportation Business at the Airport and to perform all operations and functions in connection with the conduct and operation of such business at the Airport. Except as provided in this Article 3, nothing in this Ordinance shall be construed as authorizing Air Carrier to conduct any business at the Airport separate and apart from the conduct of its Air Transportation Business. A Passenger Carrier shall not use its Assigned Space and shall not cause or permit its Associated Parties to use its Assigned Space, for any purpose other than as specified in this Ordinance, a Letter of Authorization or expressly specified as a permissible use ofthe Airport in the Airport Rules.

2 **Terminal Complex**

A Passenger Carrier's use of the Terminal Complex shall be limited to the following activities:

1 A Passenger Carrier's operation of an Air Transportation Business for the carriage and movement of persons, property, baggage, cargo, express packages and mail by means of aircraft, including but not limited to the following categories of flights: revenue, training, test, inspection, emergency, charter and sightseeing.

2 A Passenger Carrier's loading and unloading of persons, property, baggage, cargo, express packages and mail at the Terminal Complex by such motor vehicles or other means of conveyance as a Passenger Carrier may require in the operation of an Air Transportation Business; provided that a Passenger Carrier may designate carriers to transport the Passenger Carrier's employees, passengers, and their luggage if such transportation is paid for, directly or indirectly, or arranged by the Passenger Carrier; and. provided, further, that a Passenger Carrier shall not operate commercial ground transportation for the general public. If such transportation is not paid for or arranged by the Passenger Carrier, the City may charge operators of vehicles carrying passengers for hire reasonable fees for the privilege of entering upon the Airport, using the streets, highways and public roads within the Airport, soliciting passengers upon the Airport, and otherwise operating on the Airport.

3 A Passenger Carrier's hiring, employment, and training of personnel in the current or future employ of the Passenger Carrier, and training of the Passenger Carrier's Contractors.

4 A Passenger Carrier's use, alone or with other Passenger Carriers, for any and all purposes in connection with or incidental to the operation of an Air Transportation Business, including: the handling of reservations; the handling, ticketing and billing of passengers; services associated with the Passenger Carrier's frequent flier program; the installation of debit-card dispensing or self-service ticketing kiosks; the operation of break rooms for the Passenger Carrier's employees and its Affiliates', Alliance Partners', and Contractors' employees only and, to the extent permitted by law, the serving of food and beverages (complimentary or for sale) in such employee break rooms and cafeterias within the Passenger Carrier's Exclusive Use Space, if any; the operation of one or more VIP Lounges, passenger clubs and lounge rooms, and, to the extent permitted by law, the serving of food and beverages (complimentary or for sale) in such VIP Lounges, passenger clubs and lounge rooms and the offering of complimentary food and beverage during irregular operations and for limited promotions approved in writing by the Commissioner. Notwithstanding any provision in this Ordinance to the contrary, a Passenger Carrier may sell retail items, food and beverages, or services to the public or to the Passenger Carrier's (or its Affiliates', Alliance Partners' or Contractors') employees and passengers in the Terminal Complex only to the extent expressly permitted by this Section 3.2.4. The City will not charge a Passenger Carrier a permit fee, concession fee or any other fee for the sale of food and beverages or implementation of debit-card dispensing, self-service ticketing kiosks or similar amenities permitted under this Section 3.2.4.

5 A Passenger Carrier's installation and maintenance in the Passenger Carrier's Preferential Use

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Space and Exclusive Use Space, at the Passenger Carrier's sole cost and expense, of identifying signs, posters, displays, and other materials which advertise the services offered by the Passenger Carrier (or its Affiliates or Alliance Partners) to the traveling public, consistent with the Airport Rules; provided, however, identifying signs, posters, displays, and other similar materials shall not be permitted on the Apron Area with the exception of the Passenger Carrier's "logos" within its Preferential Use Space (including on any City-owned PLBs within such Preferential Use Space); and provided, further, that in Holdroom Space, only the identifying signs, posters, displays, and other materials which advertise the services offered by the Passenger Carrier (or its Affiliates or Alliance Partners) to the traveling public, and corporate identifiers or "logos" of the Passenger Carriers using the Holdroom Space or Apron Areas shall be permitted. All such signs, posters, displays, and other similar materials installed after May 12, 2018 must comply with any signage standards in the Airport Rules. The City reserves the right to place advertising displays in all areas of the Airport that are visible to the public, including in a Passenger Carrier's Assigned Space.

6 A Passenger Carrier's installation and operation, at the Passenger Carrier's expense, of static or digital signs identifying the name of the Passenger Carrier, and directional signs guiding passengers, as needed; provided that such signs comply with City's signage standards as set forth in the Airport Rules. In addition to such signage, a Passenger Carrier shall keep current its flight information on the City's multi-user flight information display system ("MUEIDS"), and, if applicable, the Common Use Gate information display

system ("GIDS"), the common use baggage information display system ("BIDS"), and other common use information display systems at the Airport as further delineated in Section 3.8.5.

3.2.7 All passenger terminal facilities and amenities related thereto shall be located within the Terminal Complex, and no passenger terminal functions for the Airport other than remote passenger and baggage check-in shall be conducted elsewhere on the Airport. The term "passenger terminal functions" as used in this Section 3.2.7 includes the reception, ticketing, collection of fees, check-in, loading, unloading, collection, or transfer of all persons and their baggage being transported by air, or by ground transport incidental to such transportation. The term specifically includes, without limitation, persons and their baggage being transported by Passenger Carriers and, except as hereinafter provided, all other aircraft operators, including operators of corporate and private aircraft. Notwithstanding the foregoing, the City may permit fixed-base operators to operate passenger lounges and facilities within facilities leased by such operators on an exclusive use basis to accommodate passengers and baggage being transported on private Air Carrier charter and corporate aircraft.

3.3 Gates and Gate Ramps.

A Passenger Carrier's use of Gates and Gate Ramps shall be limited to:

1 A , Passenger Carrier's ticketing, check-in, passenger and baggage handling, boarding, deplaning, and collection of fees from passengers at the Gate; use of the associated Holdroom Space; and use of the Passenger Loading Bridge and associated equipment and Gate Ramp during the Passenger Carrier's use of such Gate.

2 A Passenger Carrier's and, subject to Section 3.7, a Passenger Carrier's third-party service provider's operational staging of equipment for fueling, servicing, loading, unloading, unscheduled repairs, and Light Maintenance involving operational checks, inspections, minor replacements and repairs of aircraft that can be completed during the Passenger Carrier's use of such Gate and Gate Ramp, provided, however, that:

a) A Passenger Carrier may park or store its ground service equipment and operations vehicles on a Gate Ramp at Preferential Use Gates assigned to the Passenger Carrier, subject to the Terminal Space Use Protocols;

b) Nothing in this Section 3.3.2 shall be implied or construed to grant to a Passenger Carrier

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the right to store or park equipment on a Gate Ramp at a Common Use Gate other than as required for the regular servicing of aircraft parked at such Gate during the Passenger Carrier's use of such Common Use Gate; and

c) In addition to the regular Light Maintenance permitted under Section 3.3.2(b), so long as it does not interfere with another Passenger Carrier's operations, the City may permit a Passenger Carrier to perform emergency Light Maintenance of aircraft on a Gate Ramp at a Common Use Gate.

3 A Passenger Carrier's loading and unloading of any persons, property, baggage, cargo; express packages and mail, and carriage and transport of all ofthe aforesaid, in properly designated areas, by motor vehicles or other means of conveyance as the Passenger

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Carrier may reasonably require in the operation of its Air Transportation Business, all in accordance with Section 3.2.2.

4 A Passenger Carrier's installation, maintenance and operation of its loading bridge, air conditioning equipment, auxiliary power, potable water cabinets, dumbwaiter, baggage chutes, start-up and miscellaneous support equipment at Preferential Use Space as reasonably necessary for the Passenger Carrier's operation of an Air Transportation Business and not otherwise provided by the City.

5 Subject to Section 3.7, a Passenger Carrier's provision, by its employees or others for whom the Passenger Carrier is responsible, to the Passenger Carrier's aircraft on a Gate Ramp assigned to the Passenger Carrier (including each of Passenger Carrier's Affiliates on such Gate Ramp) with supplies and services, including food and beverages and ground handling services required by the Passenger Carrier; provided, however, that the Passenger Carrier shall have the right to provide its own supplies and services, or to have such supplies and services provided by its wholly-owned subsidiary or majority-owned subsidiary, or wholly-owned subsidiary of its parent company, or by a third party (including another Passenger Carrier). A Passenger Carrier may contract with another Passenger Carrier for the provision of supplies or services for the Passenger Carrier that the Passenger Carrier itself is permitted to provide under this Ordinance without the Passenger Carrier entering into one or more agreements with the City, and without the Passenger Carrier providing the supplies and services to pay the fees to the City that would otherwise be required. Additionally, subject to the requirements in Section 3.7, a Passenger Carrier may contract with other third parties for the provision of supplies or services for the Passenger Carrier that the Passenger Carrier itself is permitted to provide under this Ordinance without the Passenger Carrier or any such third party being required to pay fees to the City (except for a license application fee) that may otherwise be required.

6 Subject to Section 3.7, a Passenger Carrier's provision, by its employees or others for whom the Passenger Carrier is responsible (including an Affiliate or Passenger Carrier's third party service provider), to aircraft of another Passenger Carrier (other than an Affiliate) on a Gate Ramp with supplies and services, including food and beverages and ground handling services, required by such other Passenger Carrier without payment of fees to the City; provided, however, that the Passenger Carrier shall cause its third-party service providers to comply with the requirements described in Section 3.7.

3.4 Airfield

1 An Air Carrier's use ofthe Airfield and related facilities shall be limited to take-off, landing, Hying, taxiing, towing, maneuvering, parking, deicing, fueling, ground runup, loading and unloading ofthe Air Carrier's aircraft by such motor vehicles, ground service equipment, or other equipment or means of conveyance as the Air Carrier may require, subject to the terms of this Ordinance.

2 liach Air Carrier shall control all of its vehicular traffic on the Airfield and employ such means as may be necessary to direct the movements of its vehicular traffic and take all precautions reasonably necessary to promote the safety of its passengers, customers, employees, business visitors and other persons.

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5 **Communications Equipment and Antennae.**

A Passenger Carrier has no right to install or use any telecommunications equipment or antennae on the roof or exterior ofthe Terminal, unless (a) the installation and use are directly related to the conduct of the Passenger Carrier's business in its Assigned Space and are in full compliance with the City's permit process and telecommunications policies, as established by the City from time to time; and (b) the installation is in compliance with the requirements set forth in Section 2.9 of the Passenger Carrier's Letter of Authorization. A Passenger Carrier will not license, sublease or in any other manner permit any other person to use any telecommunications equipment or antennae installed by the Passenger Carrier at the Terminal; provided, however, that the Passenger Carrier may license, sublease or in any other manner permit the Passenger Carrier's Alliance Partners, Affiliates, Contractors and third-party service providers to use any telecommunications equipment or antennae installed by the Passenger Carrier at the Terminal so long as (i) such use is for aeronautical purposes and (ii) the Passenger Carrier does not receive compensation from such use other than on a cost recovery basis; and provided further that the Passenger Carrier's passengers may have access to a Passenger Carrier's Wi-Fi services in Passenger Carrier's VIP Lounges. The City may, without compensation to the Passenger Carrier, install or use telecommunications equipment or antennae on the roof or exterior of the Passenger Carrier's Assigned Space and install and attach cables, wires and conduits on, over or under the Assigned Space in connection with telecommunications equipment or antennae, or license or otherwise permit others to do so, provided that such installations and operations do not unreasonably interfere with the Passenger Carrier's communication systems or operations; Passenger Carrier shall reasonably cooperate with the City to resolve any conflicts between the Passenger Carrier's and the City's communication systems. If a Passenger Carrier incurs any costs to resolve any conflicts between the Passenger Carrier and City systems, the City shall reimburse the Passenger Carrier for reasonable costs.

6 **City Equipment**

A Passenger Carrier may use, on a non-exclusive basis and subject to City Equipment Charges and the City's control, City Equipment in the ordinary course of its business at the Airport and otherwise in accordance with this Ordinance and Airport Rules. By utilizing the Airport, each Passenger Carrier consents to accept and use City Equipment in its "as is" condition, without any representations or warranties of any kind whatsoever, express or implied, from the City as to any matters concerning City Equipment and each Passenger Carrier further consents to the assumption of all risk of loss, damage and injury arising out of the Passenger Carrier's use of City Equipment. The City shall keep City Equipment in a safe and operable condition.

7 **Handling Arrangements and Third-Party Service Providers**

3.7.1 . For so long as an Air Carrier actively conducts an Air Transportation Business at the Airport and complies with its obligations under this Ordinance and any Letter of Authorization, the Air Carrier may use, subject to the provisions of Section 3.3.2 and to the prior written consent of the Commissioner (which consent shall not be unreasonably withheld), its Preferential Use Space for the handling of the air transportation operations of any other Air Carrier using the Airport to the same extent as they may be used for the operations ofthe Air

Carrier under this Ordinance. The handling operations shall be subject to compliance with all applicable FAA and City standards and Airport Rules.

2 For so long as an Air Carrier actively conducts an Air Transportation Business at the Airport and complies with its obligations under this Ordinance and any Letter of Authorization, the Air Carrier may, subject to the

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provisions of Section 3.3.2, contract with third-party service providers for the handling of said Air Carrier's air transportation operations within its Preferential Use Space; provided, however, that a Passenger Carrier shall require that any such third-party service provider to, before beginning to provide the services to the Passenger Carrier, (a) obtain a license or other type of written contract issued by the City authorizing the third party to conduct the activities or provide the services to the Passenger Carrier, (b) provide evidence of insurance as required by the City, (c) obtain all required security authorization in accordance with the Airport Rules; and (d) comply with any other requirements imposed by the City on third-party service providers pursuant to its authority under MCC § 2-20-020. The handling operations shall be subject to compliance with all applicable FAA and City standards and Airport Rules.

3 As contemplated in Section 3.7.2 and pursuant to its authority under MCC § 2-20-020, the City may require third-party service providers to obtain a license from the City authorizing the third-party service provider to conduct certain activities or provide certain services at the Airport for an Air Carrier and/or other Airport user. For the avoidance of doubt, an Air Carrier, or its wholly-owned subsidiary, or a wholly-owned subsidiary of its parent company, shall not be considered a third-party service provider subject to this license requirement.

4 The City may contract with a consortium established by Air Carriers to enforce compliance with Airport Rules related to third-party service providers licensed by the City, and if desired, to manage and maintain City-owned ground handling equipment.

5 The City may approve the type of equipment utilized by each licensed third-party service provider, specifically to ensure compliance with City ordinances and Department of Aviation environmental and sustainability standards based on commercially reasonable best practice.

6 The City may, at any time after consulting with the AAAC, restrict the number of licensed third-party service providers at the Airport for safety and security reasons, and may, in such case, require an Air Carrier that wishes to contract with a third-party service provider to choose from a pool of third-party service providers approved and pre-qualified by the City.

3.8 Exclusions and Reservations

3.8.1 The City may continue to provide Air Carriers with utility services, including gas, water, sewer. SET, rubbish removal and other utilities and services, including, but not limited to, new technology-related services, and to charge Air Carriers for such utilities and services on a cost-recovery basis.

2 An Air Carrier shall not, by action or failure to act, knowingly interfere or permit interference with the use, operation, or maintenance of the Airport and other Air Carrier operations, including but not limited to, the effectiveness or accessibility ofthe drainage, sewerage, water, communications (including Wi-Fi services), fire protection, utility, electrical or other systems installed or located from time to time at the Airport.

3 An Air Carrier shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Ordinance or a Letter of Authorization. If an Air Carrier shall do or permit to be done any act not permitted under this Ordinance or a Letter of Authorization, or fail to do any act required under this Ordinance or a Letter of Authorization, regardless of whether such act shall constitute a violation of this Ordinance or a Letter of Authorization, which act or failure, in and of itself, causes an increase in the City's insurance premiums, then that Air Carrier shall promptly remedy or commence such actions as necessary to remedy and, upon written notice from the City to do so, or shall be subject to paying the increase in premiums to the extent caused by such act or failure of that Air Carrier until the issue is remedied.

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4 The City or its duly authorized representative may enter upon a Passenger Carrier's Assigned Space at any and all reasonable times and upon reasonable notice of not less than 48 hours (except in emergency situations) for the purpose of determining whether or not the Passenger Carrier is complying with the requirements of this Ordinance or for any other purpose incidental to the powers of the City; provided that such right of entry does not unreasonably interfere with the Passenger Carrier's operations. In the case of an emergency, the City will provide as much notice as reasonable in light ofthe circumstances.

5 Each Passenger Carrier shall provide, or cause to be provided by a third party, to the City information for the City's Flight Information Management System by providing real time data output from the Passenger Carrier's internal flight information display system, computer reservations system, cargo load message transmission, ARINC or SITA transmissions, or other information systems (including commercial information systems) on a per flight basis. Each Passenger Carrier's flight information shall be in a format consistent with the requirements ofthe City's FIDS, Baggage Information Display Systems ("BIDS"') and Resource Management Systems ("RMS"'), which also shall be consistent with IATA standards for providing information about the Passenger Carrier's operations and activities at the Airport.

3.9 Safety Management System

Each Air Carrier shall cooperate with the City's implementation of a safety management system and safety risk management systems at the Airport including participation in committees, risk identification and assessment processes, training, and safety promotion and communication initiatives.

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Article 4

ASSIGNMENT OF SPACE

4.1 Assigned Space.

1 The Commissioner shall assign and reassign Common Use Space in and about the Terminal and Apron Areas as the Commissioner determines is necessary for each Passenger Carrier's operations at the Airport, after considering the space needs of each Passenger Carrier, concessions and the traveling public and consistent with the City's Terminal Space Use Protocols and any other Airport Rules. The Commissioner is authorized to terminate a Passenger Carrier's use of any particular Common Use Space, including Gates, after providing any notice specified in the Terminal Space Use Protocols.

2 The Commissioner may assign and authorize the use of Preferential Use Space and Exclusive Use Space through a Letter of Authorization. The use of any such assigned Preferential Use Space or Exclusive Use Space shall be subject to this Ordinance, the terms and conditions of the Letter of Authorization, the Terminal Space Use Protocols and any other Airport Rules.

3 The Commissioner may promulgate, and revise from time to time, Terminal Space Use Protocols with reasonable notice to the Air Carriers operating at the Airport.

4 Upon termination of a Passenger Carrier's space assignment as authorized under this Ordinance or a Letter of Authorization, or if a Passenger Carrier shall otherwise cease to use any space assigned to it by the City, the

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Passenger Carrier shall leave the space in substantially the same or better condition, normal wear and tear and damage from casualty and repairs that are the responsibility of the City, all excepted, as when assigned to and accepted by the Passenger Carrier. In the event a Passenger Carrier has damaged or otherwise altered the space without the City's permission, the City may, upon notice to the Passenger Carrier and Passenger Carrier's failure to repair or otherwise restore, use the Passenger Carrier's Security Deposit, as required in Section 6.4, to repair or otherwise restore the space to its original condition.

5 Each Air Carrier consents to the use of all Assigned Space on an "as is with all faults" basis, and further acknowledges that it is not relying on any representations or warranties of any kind whatsoever, express or implied, from the City, as to any matters concerning the Assigned Space.

Article 5

CALCULATION OF RATES AND CHARGES

5.1 Generally. The fees and rents to be charged by the City and paid by each Air Carrier for its use ofthe Airport shall be calculated using the rate-setting methods set forth in this Article 5. In calculating the revenue requirements used to derive each of these kinds of rates and charges, the City shall exclude any cost (net of the cost of collection) that (a) has been reimbursed or covered by any insurance recovery, condemnation proceeds or other third-party

payment; (b) has been reimbursed or is required to be reimbursed to the City by an individual Air Carrier in connection with projects undertaken by the City at the request and for the benefit of an individual Air Carrier; or (c) has been paid with PFCs or with federal or state grants received by the City. Illustrative calculations displaying how rates and charges will be calculated under the methodology set forth in this Article 5 are attached as Exhibit A.

2 Air Carrier Consultations on Proposed Rates and Charges. No later than October 1 of each year, the Commissioner shall provide, by electronic mail, each Air Carrier then currently operating scheduled passenger or cargo service at the Airport with a complete copy ofthe Department of Aviation's then-proposed operating budget and capital plan for the following Fiscal Year and, no later than November 1 of each year, the then-proposed rates and charges, calculated in accordance with this Article 5, for the following Fiscal Year. The Commissioner shall consult with the AAAC concerning the then-proposed rates and charges. No later than December 1 of each year, after giving due consideration to the comments provided by the AAAC, the Commissioner shall make any revisions to the proposed rates and charges as the Commissioner determines, in his or her reasonable discretion, to be consistent with this Article 5 and warranted as a result of consultation with the AAAC or otherwise, and shall provide written notice, by electronic mail, to each Air Carrier then currently operating scheduled passenger or cargo service at the Airport ofthe new rates and charges to be effective as of January 1 of the following Fiscal Year. A copy ofthe notice shall be posted on the CDA's website.

3 Calculation ofthe Landing Fee. Each Air Carrier shall pay Landing Fees for its use of the Airfield based on its aggregate Maximum Gross Landed Weight at the Airport during the Fiscal Year. The Landing Fee effective as of January 1 of each Fiscal Year shall be determined according to the rate-setting method set forth in this Section 5.3.

1 Calculation of the Airfield Revenue Requirement. The City shall calculate the Airfield Revenue Requirement by computing the sum of the following budgetary items for each Fiscal Year:

(a) Capital Costs allocable to the Airfield; plus

(b) O&M Expenses allocable to the Airfield; plus

c) *Required Deposits (if any) allocable to the Airfield; minus*

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d) *Other Airfield Revenues; minus*

e) *Interest Income allocable to the Airfield; plus or minus*

f) Landing Fee True-ups pursuant to Section 5.18.

2 Forecast Maximum Gross Landed Weight. The City shall determine, based upon estimates provided by Air Carriers and other available information, the aggregate forecast Maximum Gross Landed Weight for all aircraft greater than 12,500 pounds carrying passengers or cargo in commercial service that are expected to land at the Airport during the next Fiscal Year.

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3 Calculation of the Landing Fee. The City shall calculate the Landing Fee applicable to all aircraft greater, than 12,500 pounds carrying passengers or cargo in commercial service that land at the Airport and are not otherwise exempt from paying Landing Fees by dividing the Airfield Revenue Requirement by the aggregate forecast Maximum Gross Landed Weight. The Landing Fee shall be expressed in dollars and cents (to nearest thousandth) per one thousand pounds of Maximum Gross Landed Weight.

4 Minimum Landing Fee. The Landing Fee applicable to any aircraft less than or equal to 12,500 pounds carrying passengers or cargo in commercial service that land at the Airport and are not otherwise exempt from paying Landing Fees shall be equal to 12,500 pounds times the Landing Fee rate calculated under Section 5.3.3.

5 Exceptions from Landing Fees.

a) No landing fee shall be due in the event an aircraft departs from the Airport for another destination and is forced to return and land at the Airport because of meteorological conditions, mechanical or problems or any similar emergency or precautionary reason.

b) No landing fee shall be due on account of landings by any aircraft owned and operated by the United States government and its agencies, non-commercial aircraft owned and operated by foreign governments on a flight authorized by the Department of State, or commercial aircraft on any flight dedicated to carrying foreign heads of state and not operating as a commercial flight. Foreign military aircraft are subject to landing fees calculated under Section 5.3.3.

c) The Commissioner may, on an infrequent basis, waive landing fee payments, in his or her discretion, for medical, humanitarian, charity or non-profit events.

5.4 Calculation of Terminal Rental Rates. The City shall calculate Terminal Rental Rates separately for the Main Terminal and Terminal 5. Each Passenger Carrier shall pay the Terminal Rental Rates applicable to the Exclusive Use Space (if any) and Preferential Use Space (if any) it is assigned in the Main Terminal or Terminal 5. The Terminal Rental Rates effective January I of each Fiscal Year for the Main Terminal and Terminal 5 shall be determined according to the rate-setting methods set forth in this Section 5.4.

5.4.1 Calculation of Gross Terminal Revenue Requirements. The City shall calculate the Gross Terminal Revenue Requirement for each Terminal by computing the sum of the following budgetary items for the Fiscal Year:

(a) Capital Costs allocable to such Terminal;plus

b) *O&M Expenses allocable to such Terminal;plus*

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c) *Required Deposits allocable to such Terminal; minus*

Interest Income allocable to such Terminal.

5.4.2 Calculation of Terminal Space Revenue Requirements. The City shall calculate the Terminal Space Revenue Requirement for each Terminal by computing the sum of the following budgetary items for the Fiscal Year:

a) *Gross Terminal Revenue Requirement for such Terminal; minus*

b) *Capital Costs and O&M Expenses for City-owned Baggage Claim Systems and City-owned Baggage Make-up Systems not allocable to FIS Facilities (to be recovered through separate charges for the use of City-owned Baggage Claim Systems and City-owned Baggage Make-up Systems); minus*

c) *City Equipment Costs not allocable to FIS Facilities (to be recovered through separate Terminal Equipment Fees and Common Use Fees); minus*

d) *Capital Costs and O&M Expenses for City-owned Baggage Claim Systems and City Equipment Costs allocable to FIS Facilities (to be recovered through a separate FIS Facility Fee); minus*

e) City Janitorial Costs for such Terminal (to be recovered through a separate Janitorial Surcharge).

5.4.3 Calculation of the Airline and Non-Airline Terminal Space Revenue Requirements.

a) The City shall calculate the Airline Terminal Space Revenue Requirement for each Terminal by:

i) allocating Total Rentable Space in such Terminal between Airline Rentable Space and Non-Airline Terminal Rentable Space and calculating the ratio of Airline Rentable Space to Total Rentable Space (the "Airline Rentable Space Ratio"); and

ii) multiplying the Terminal Space Revenue Requirement for that Terminal by the applicable Airline Rentable Space Ratio.

b) The City shall calculate the Non-Airline Terminal Space Revenue Requirement for each Terminal by multiplying the Terminal Space Revenue Requirement for that Terminal by the ratio of Non-Airline Rentable Space to Total Rentable Space in that Terminal.

5.4.4 Calculation of Terminal Rental Rates. In recognition of the differing utility of distinct types of Airline Rentable Space, the City shall separately calculate rental rates for two types of Airline Rentable Space within each ofthe two Terminals: Base Space (consisting of all Airline Rentable Space in the Terminal except for Baggage Make-up Space and

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ramp-level unenclosed storage space) and Discount Space (consisting of Baggage Make-up

Space and ramp-level unenclosed storage space).

(a) The rental rate per square foot for Discount Space shall be twenty-five percent (25%) less than the rental rate per square foot for Base Space.

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(b) The rental rates per square foot for each ofthe two types of Airline Rentable Space will be calculated so that the aggregate amount chargeable for all types of Airline Rentable Space within each Terminal equals the Airline Terminal Space Revenue Requirement for that Terminal.

5.4.5 Janitorial Surcharge. The City shall calculate the Janitorial Surcharge for each Terminal by dividing the City Janitorial Costs allocable to the Terminal by the total amount of Holdroom Space. Check-in Space, Baggage Claim Space and FIS Space in each Terminal.

5 Exclusive Use Rent. Each Passenger Carrier shall pay for its use of Exclusive Use Space in the Main Terminal and Terminal 5 based on the square footage of Exclusive Use Space (if any) assigned to Passenger Carrier in each of the two Terminals as shown in the Passenger Carrier's Letter of Authorization multiplied, for Base Space (if any), by the Base Terminal Rental Rate for each Terminal, and for Discount Space (if any), by the Discount Terminal Rental Rate for each Terminal.

6 Preferential Use Gate Rent. Passenger Carrier shall pay for its use of Preferential Use Gates in the Main Terminal and Terminal 5 based on the square footage ofthe Holdrooms associated with the Preferential Use Gates (if any) it is assigned by the City in each of the two Terminals multiplied by the sum ofthe Base Terminal Rental Rate plus the Janitorial Surcharge (breach Terminal.

7 Preferential Use Check-in Rent. Each Passenger Carrier shall pay for its use of Preferential Use Check-in Space in the Main Terminal and Terminal 5 based on the square footage of Check-in Space (if any) it is assigned by the City in each ofthe two Terminals by the sum ofthe applicable Base Terminal Rental Rate plus the Janitorial Surcharge for each Terminal.

8 Preferential Use Baggage Claim Rent. Each Passenger Carrier shall pay for its use of Preferential Use Baggage Claim Space in the Main Terminal and Terminal 5 based on the square footage of Baggage Claim Space (if any) it is assigned by the City in each of the two Terminals multiplied by the sum ofthe applicable Base Terminal Rental Rate plus the Janitorial Surcharge (breach Terminal.

9 Preferential Use Baggage Make-up Rent. Each Passenger Air Carrier shall pay for its use of Preferential Use Baggage Make-up Space in the Main Terminal and Terminal 5 based on the square footage of Preferential Use Baggage Make-up Space (if any) it is assigned by the City in each ofthe two Terminals multiplied by the applicable Discount Terminal Rental Rate for each Terminal.

10 Preferential Use City-owned Baggage System Charges. Each Passenger Carrier shall pay for its Preferential Use of City-owned Baggage Make-up Systems and City-owned Baggage Claim Systems according to the rate-setting methods set forth in this Section 5.10.

5.10.1 Preferential Use City-owned Baggage Make-up Charge. In addition to the Terminal Rent applicable to any Preferential Use Baggage Make-up Space it is assigned by the City, each Passenger Carrier shall pay a Preferential Use Baggage Make-up Charge for its

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use of City-owned Baggage Make-up Systems (if any) that are within any Baggage Make-up Space that is assigned to the Passenger Carrier on a Preferential Use basis. The Baggage Makeup Systems Charge effective January 1 of each Fiscal Year for each Passenger Carriers Preferential Use of City-owned Baggage Make-up Systems shall be calculated as the sum of budgeted Capital Costs and O&M Expenses allocable to the City-owned Baggage Make-up Systems assigned to the Passenger Carrier for its Preferential Use.

5.10.2 Preferential Use City-owned Baggage Claim Charge. In addition to the Terminal Rent and Janitorial Surcharge applicable to any Preferential Use Baggage Claim Space it is assigned by the City, each Passenger Carrier shall pay a Preferential Use Baggage Claim Charge for its use of City-owned Baggage Claim Systems (if any) that are within Baggage Claim Space that is assigned to the Passenger Carrier on a Preferential Use basis. The City-owned Baggage Claim Systems Charge effective January 1 of each Fiscal Year for each Passenger Carrier's Preferential Use of City-owned Baggage Claim Systems shall be calculated as the sum of budgeted Capital Costs and O&M Expenses allocable to the City-owned Baggage Claim Systems assigned to the Passenger Carrier for its Preferential Use.

5.11 Common Use Fees.

5.11.1 Domestic Common Use Gate Fees. Each Passenger Carrier shall pay Domestic Common Use Gate Fees for its use (if any) of Domestic Common Use Gates based on the number of its Total Delivered Seats at Domestic Common Use Gates. The Domestic Common Use Gate Fee effective January I of each Fiscal Year shall be the same for the use of Domestic Common Use Gates in the Main Terminal and in Terminal 5 and shall be determined according to the rate-setting method set forth in this Section 5.11.1.

a) Calculation of the Domestic Common Use Gate Revenue Requirement. The City shall calculate the Domestic Common Use Gate Revenue Requirement by computing the sum ofthe following budgetary items for the Fiscal Year:

i) the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for the Main Terminal multiplied by the total square footage of Domestic Common Use Holdroom Space in the Main Terminal; plus

ii) the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for Terminal 5 multiplied by the total square footage of Domestic Common Use Holdroom Space in Terminal 5; plus -

iii) the budgeted Capital Costs and O&M Expenses for City Equipment allocable to Domestic Common Use Gates.

b) Forecast Total Delivered Seats at Domestic Common Use Gates. The City shall determine, based upon estimates provided by Passenger Carriers and other available information, the aggregate forecast Total Delivered Seats at Domestic Common Use Gates.

c) Calculation of the Domestic Common Use Gate Fee. The City shall calculate the Domestic Common Use Gate Fee by dividing the Domestic Common Use

Gate Revenue Requirement by aggregate forecast Total Delivered Seats at Domestic Common Use Gates; provided, however, that no fewer than 548,000 annual Delivered Seats per Domestic Common Use Gate shall be used to calculate the Domestic Common Use Gate Fee.

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d) Monthly Cap on Domestic Common Use Gate Fees. If (a) the City elects to make Preferential Use Gates available to Passenger Carriers that meet minimum gate utilization standards set by the City; (b) a Passenger Carrier has requested from the City, but has been unable to obtain, the assignment of a Preferential Use Gate; and (c) the City reasonably determines that such a Passenger Carrier's scheduled activity on one or more Domestic Common Use Gates would meet the applicable minimum gate utilization standard, the Passenger Carrier's aggregate monthly Domestic Common Use Gate Fees for each such Domestic Common Use Gate shall not exceed what such Passenger Carrier would have been charged if it had been assigned one or more Preferential Use Gates. Domestic Common Use Gate Fees calculated for a Passenger Carrier's use of other Domestic Common Use Gates shall not be diminished by such monthly cap.

e) Imputed Domestic Common Use Gate Fee. If there are no designated Domestic Common Use Gates in either Terminal, the City shall calculate the Domestic Common Use Gate Fee to be paid for domestic flights using an International Common Use Gate or being accommodated at the City's request on any other Passenger Carrier's Preferential Use Gates by computing the sum ofthe average Base Terminal Rental Rate for both Terminals plus the average Janitorial Surcharge for both Terminals times 2,650 square feet and dividing that product by 548,000 annual Total Delivered Seats.

5.11.2 International Common Use Gate Fees. Each Passenger Carrier shall pay International Common Use Gate Fees for its use of International Common Use Gates based on the number of its Delivered Departing International Seats and its Arriving International Seats Without FIS Users at International Common Use Gates. The International Common Use Gate Fee effective January 1 of each Fiscal Year shall be the same for the use of International Common Use Gates in the Main Terminal and in Terminal 5 and shall be determined according to the rate-setting method set forth in this Section 5.11.2. Each Passenger Carrier shall pay Domestic Common Use Gate Fees determined according to the rate-setting method set forth in Section 5.11.1 for its use of International Common Use Gates for any domestic (lights.

(a) Calculation of the International Common Use Gate Revenue Requirement. The City shall calculate the International Common Use Gate Revenue Requirement by computing the sum ofthe following budgetary items for the Fiscal Year:

i) *the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for the Main Terminal multiplied by the total square footage of International Common Use Holdroom Space in the Main Terminal; plus*

ii) *the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for Terminal 5 multiplied by the total square footage of International Common Use Holdroom Space in Terminal 5; plus*

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iii) *the budgeted Capital Costs and O&M Expenses for City Equipment allocable to International Common Use Gates; minus*

iv) any Domestic Common Use Gate Fees paid for the use of International Common Use Gates for domestic (lights.

b) Forecast Seats at International Common Use Gates. The City shall determine, based upon estimates provided by Passenger Carriers and other available information, the aggregate forecast Delivered Departing International Seats and Delivered Arriving International Seats without FIS Users at International Common Use Gates.

c) Calculation ofthe International Common Use Gate Fee. The City shall calculate the

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International Common Use Gate Fee by dividing the International Common Use Gate Revenue Requirement by aggregate forecast Delivered Departing International Seats and Delivered Arriving International Seats without FIS Users at International Common Use Gates.

5.11.3 Domestic Common Use Baggage Make-up Fees. Each Passenger Carrier shall pay for its use (if any) of Domestic Common Use City-owned Baggage Make-up Systems based on the number of its Outbound Checked Bags for flights utilizing Domestic Common Use City-owned Baggage Make-up Systems during the Fiscal Year. The Domestic Common Use Baggage Make-up Fee shall be the same for the use of City-owned Common Use Baggage Claim Systems (if any) in the Main Terminal and in Terminal 5 and shall be calculated according to the rate-setting method set forth in this Section 5.11.3.

a) Calculation of the Domestic Common Use Baggage Make-up Revenue Requirement. The City shall calculate the Domestic Common Use Baggage Make-up Revenue Requirement by computing the sum of the following budgetary items for the Fiscal Year:

i) *the applicable Discount Terminal Rental Rate for all Domestic Common Use Baggage Make-up Space in the Main Terminal multiplied by the total square footage of Domestic Common Use Baggage Make-up Space in the Main Terminal; plus*

ii) *the applicable Discount Terminal Rental Rate for all Domestic Common Use Baggage Make-up Space in Terminal 5 multiplied by the total square footage of Domestic Common Use Baggage Make-up Space in Terminal 5; plus*

iii) *the budgeted Capital Costs and Q&M Expenses for Domestic Common Use City-owned Baggage Make-up Equipment in the Main Terminal; plus*

iv) the budgeted Capital Costs and O&M Expenses for Domestic Common Use City-owned Baggage Make-up Equipment in Terminal 5.

b) Forecast Outbound Checked Bags for Flights Utilizing Domestic Common Use City-owned Baggage Make-up Systems. The City shall determine, based upon estimates provided by Passenger Carriers and other available information, the aggregate forecast

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Outbound Checked Bags for flights utilizing Domestic Common Use City-owned Baggage Make-up Systems.

(c) Calculation ofthe Domestic Common Use Baggage Make-up Fee. The City shall calculate the Domestic Common Use Baggage Make-up Fee by dividing the Domestic Common Use Baggage Make-up Revenue Requirement by aggregate forecast Outbound Checked Bags for flights utilizing Domestic Common Use City-owned Baggage Make-up Systems.

5.11.4 International Common Use Baggage Make-up Fees. Each Passenger Carrier shall pay for its use (if any) of International Common Use City-owned Baggage Make-up Systems based on the number of its Outbound Checked Bags for flights utilizing International Common Use City-owned Baggage Make-up Systems during the Fiscal Year. The International Common Use Baggage Make-up Fee shall be the same for the use of City-owned Common Use Baggage Claim Systems (if any) in the Main Terminal and in Terminal 5 and shall be calculated according to the rate-setting method set forth in this Section 5.1 1.4.

a) Calculation of the International Common Use Baggage Make-up Revenue Requirement. The City shall calculate the International Common Use Baggage Makeup Revenue Requirement by computing the sum

ofthe following budgetary items for the Fiscal Year:

i) *the applicable Discount Terminal Rental Rate for all International Common Use Baggage Make-up Space in the Main Terminal multiplied by the total square footage of International Common Use Baggage Make-up Space in the Main Terminal; plus*

ii) *the applicable Discount Terminal Rental Rate for all International Common Use Baggage Make-up Space in Terminal 5 multiplied by the total square footage of International Common Use Baggage Make-up Space in Terminal 5; plus*

iii) *the budgeted Capital Costs and O&M Expenses for International Common Use City-owned Baggage Make-up Equipment in the Main Terminal; plus*

iv) the budgeted Capital Costs and O&M Expenses for International Common Use City-owned Baggage Make-up Equipment in Terminal 5.

b) Forecast Outbound Checked Bags for Flights Utilizing International Common Use City-owned Baggage Make-up Systems. The City shall determine, based upon estimates provided by Passenger Carriers and other available information, the aggregate forecast Outbound Checked Bags for flights utilizing International Common Use City-owned Baggage Make-up Systems.

c) Calculation of the International Common Use Baggage Make-up Fee. The City shall calculate the International Common Use Baggage Make-up Fee by dividing the International Common Use Baggage Make-up Revenue Requirement by aggregate forecast

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Outbound Checked Bags for flights utilizing International Common Use City-owned Baggage Make-up Systems.

5 Common Use Baggage Claim Fees. Each Passenger Carrier shall pay for its use (if any) of City-owned Common Use Baggage Claim Systems not allocated to the FIS based on the number of its Arriving Domestic Seats utilizing Common Use City-owned Baggage Claim Systems during the Fiscal Year. The Common Use Baggage Claim Fee shall be the same for the use of City-owned Common Use Baggage Claim Systems (if any) in the Main Terminal and in Terminal 5 and shall be calculated according to the rate-setting method set forth in this Section 5.11.5.

a) Calculation of the Common Use Baggage Claim Revenue Requirement. The City shall calculate the Common Use Baggage Claim Revenue Requirement by computing the sum of the following budgetary items for the Fiscal Year:

i) *the sum ofthe applicable Base Terminal Rental Rate plus the Janitorial Surcharge in the Main Terminal multiplied by the total square footage of Common Use Baggage Claim Space in the Main Terminal; plus*

ii) *the sum ofthe applicable Base Terminal Rental Rate plus the Janitorial Surcharge in Terminal 5 multiplied by the total square footage of Common Use Baggage Claim Space in Terminal 5;plus*

iii) *the budgeted Capital Costs and O&M Expenses for City-Owned Common Use Baggage Claim Equipment in the Main Terminal except those costs and expenses that are allocable to the FIS; plus*

iv) the budgeted Capital Costs and O&M Expenses for City-Owned Common Use Baggage Claim Equipment in Terminal 5 except those costs and expenses that are allocable to the FIS.

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b) Forecast Arriving Domestic Seats on flights Utilizing City-owned Common Use Baggage Claim Systems. The City shall determine, based upon estimates provided by Passenger Carriers and other available information, the aggregate Arriving Domestic Seats utilizing City-owned Common Use Baggage Claim Systems.

c) Calculation of the Common Use Baggage Claim Fee. The City shall calculate the Common Use Baggage Claim Fee by dividing the Common Use Baggage Claim Revenue Requirement by aggregate forecast Arriving Domestic Seats utilizing City-owned Common Use Baggage Claim Systems.

6 Domestic Common Use Check-in Fees. Each Passenger Carrier shall pay Domestic Common Use Check-in Fees for its use of Domestic Common Use Check-in Space based on the greater of the number of (a) Check -in Flours that the Passenger Carrier and its Affiliates have been assigned by the City or (b) Check-in Hours actually used by the Passenger Carrier and its Affiliates. The Domestic Common Use Check-in Fee effective January 1 of each Fiscal Year shall be the same for the use of Domestic Common Use Check-in Space in the Main

Terminal and in Terminal 5 and shall be determined according to the rate-setting method set forth in this Section 5.11.6.

a) Calculation oF the Domestic Common Use Check-in Revenue Requirement. The City shall calculate the Domestic Common Use Check-in Revenue Requirement by computing the sum of the following budgetary items for the Fiscal Year:

i) *the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for the Main Terminal multiplied by the total square footage of Domestic Common Use Check-in Space in the Main Terminal; plus*

ii) *the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for Terminal 5 multiplied by the total square footage of Domestic Common Use Check-in Space in Terminal 5; plus*

iii) the budgeted Capital Costs and O&M Expenses for City Equipment allocable to Domestic Common Use Check-in Space.

b) Forecast Domestic Common Use Check-in Hours. The City shall determine, based upon estimated flight schedules provided by Passenger Carriers and other available information, the aggregate forecast of Domestic Common Use Check-in Hours.

c) Calculation ofthe Domestic Common Use Check-in Fee. The City shall calculate the Domestic Common Use Check-in Fee by dividing the Domestic Common Use Check-in Revenue Requirement by the aggregate forecast of Domestic Common Use Check-in Hours.

5.11.7 International Common Use Check-in Fees. Each Passenger Carrier shall pay International Common Use Check-in Fees for its use of International Common Use Check-in Space based on the greater of the number of (a) Check-in Flours that the Passenger Carrier and its Affiliates have been assigned or (b) Check-in Flours actually used by the Passenger Carrier and its Affiliates. The International Common Use Check-in Fee effective January 1 of each Fiscal Year shall be the same for the use of International Common Use Check-in Space in the Main Terminal and in Terminal 5 and shall be determined according to the rate-setting method set forth in this Section 5.11.7.

(a) Calculation of the International Common Use Check-in Revenue Requirement. The City shall calculate the International Common Use Check-in Revenue Requirement by computing the sum ofthe following budgetary items for the Fiscal Year:

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i) *the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for the Main Terminal multiplied by the total square footage of International Common Use Check-in Space in the Main Terminal; plus*

ii) *the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for Terminal 5 multiplied by the total square footage of International Common Use Check-in Space in Terminal 5; plus*

(iii) the budgeted Capital Costs and O&M Expenses for City Equipment allocable to International Common Use Check-in Space.

b) Forecast International Common Use Check-in Hours. The City shall determine, based upon estimated flight schedules provided by Passenger Carriers and other available information, the aggregate forecast International Common Use Check-in Hours.

c) Calculation of the International Common Use Check-in Fee. The City shall calculate the International Common Use Check-in Fee by dividing the Common Use Check-in Revenue Requirement by the greater of (a) aggregate forecast International Common Use Check-in Hours or (b) 10,950.

5.11.8 Aircraft Parking Fees. The City may establish, after consultation with the AAAC, fees for extended and overnight aircraft parking on Apron Areas associated with Common Use Gates and in remote areas of the Airfield. The City may also establish, after consultation with the AAAC, fees for the use of Common Use hard stands for the loading and unloading of aircraft.

5.12 FIS Facility Fee

Each Passenger Carrier shall pay FIS Facility Fees for its use of FIS Facilities based on the number of its FIS Users (if any) during the Fiscal Year. The FIS Facility Fee effective January 1 of each Fiscal Year shall be the same for the use of FIS Facilities in the Main Terminal and Terminal 5 and shall be calculated according to the rate-setting method set forth in this Section 5.12.

1 Calculation of the FIS Revenue Requirement. The City shall calculate the FIS Revenue Requirement by computing the sum of the following budgetary items for the Fiscal Year:

a) *the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for the Main Terminal multiplied by the total square footage of FIS Facilities in the Main Terminal; plus*

b) *the sum of the Base Terminal Rental Rate plus the Janitorial Surcharge for Terminal 5 multiplied by the total square footage of FIS Facilities in Terminal 5; plus*

c) the budgeted Capital Costs and O&M Expenses for Baggage Claim Systems and other equipment allocable to FIS Facilities.

2 Forecast FIS Users. The City shall determine, based upon estimates provided by Passenger Carriers and,other available information, the aggregate forecast number of FIS Users.

3 Calculation ofthe FIS Facility Fee. The City shall calculate FIS Facility Fee by dividing the FIS Revenue Requirement by forecast FIS Users.

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5.13 Airport-wide Conveyance Fee

Each Passenger Carrier shall pay Airport-wide Conveyance Fees for the Airport Roadway System and the Automated Transit System ("ATS") based on the number of each Passenger Carrier's O&D Passengers during the Fiscal Year. The Airport-wide Conveyance Fee effective January 1 of each Fiscal Year shall be calculated according to the rate-setting method set forth in this Section 5.13.

1 Calculation of the Airport-wide Conveyance Requirement. The City shall calculate the Airport-wide Conveyance Requirement by computing the sum of the following budgetary items for each Fiscal Year:

a) *Capital Costs allocable to Passenger Carriers for the Airport Roadway System and the ATS; plus*

b) O&M Expenses allocable to Passenger Carriers for the Airport Roadway System and the ATS.

2 Forecast O&D Passengers. T'ie City shall determine, based upon estimates provided by Passenger Carriers and other available information, aggregate forecast O&D Passengers at the Airport during the next Fiscal Year.

3 Calculation of the Airport-Wide Conveyance Fee. The City shall calculate the Airport-wide Conveyance Fee by dividing the Airport-wide Conveyance Requirement by aggregate forecast O&D Passengers.

14 City Equipment Charges. Each Passenger Carrier shall pay City Equipment Charges for its use of City Equipment. City Equipment Charges effective January 1 of each Fiscal Year shall be determined on a non-discriminatory, full cost-recovery basis.

15 **Transition Period Rates and Charges**

1 Notwithstanding anything to the contrary in this Article 5, the fees and charges to be charged by the City and paid by each Air Carrier for its use ofthe Airport from May 12, 2018 through June 30, 2018 shall be calculated according to the rate-setting methods set forth in Articles V, VI, XII, XIII and XIV ofthe Main Terminal Prior Use and Lease Agreement, as amended, and Articles V and VI ofthe Terminal 5 Prior Use and Lease Agreement, based upon the space leased by each Air Carrier under its Prior Use and Lease Agreements (if any); provided, however, that such fees and charges shall not, on an aggregate basis for all Air Carriers, exceed what the fees and charges for that period would have been if they had been calculated in accordance with the rate setting methods set forth in this Article 5.

2 The fees and charges to be charged by the City and paid by each Air Carrier for its use ofthe Airport from July I, 2018 through December 30, 2018 shall be calculated according to the rate-setting methods in this Article 5; provided, however, that the consultation under Section 6.2 and the fees and charges calculated pursuant to Section 5.3 through Section 5.15 shall be based on the period July 1. 2018 through December 31, 2018 instead ofthe full Fiscal Year 2018.

5.15.3 The fees and charges calculated in accordance with Sections 5.15.1 and 5.15.2 shall be based upon the City's budget for Fiscal Year 2018, with one-half of the total revenue requirement allocated to the period January 2,

2018 through June 30, 2018 and one-half of the total revenue requirement allocated to the period July 1, 2018 through December 30, 2018.

16 **Air Service Incentive Program**

Notwithstanding any other provision in this Ordinance and, in order to enhance and attract new air service to the Airport, the City may adopt and implement a program of air service incentives at the Airport, consistent with applicable federal requirements, which may include rates and charges incentives and marketing support ("Air Service Incentive Program"). The Air Service Incentive Program, if implemented, shall be offered to all eligible Air Carriers on a nondiscriminatory basis. Such air service incentives shall not increase the fees and charges to be calculated pursuant to Sections 5.3 through 5.15.

17 **Mid-year Adjustments**

In order to reduce underpayments or underpayments of Airport Fees and Charges, during each Fiscal Year, the City shall review the most recently available information with regard to the amounts actually incurred or realized during such Fiscal Year with respect to Capital Costs, O&M Expenses and levels of Air Carrier activity. If it appears to the City on the basis of information it is able to accumulate during the course of any Fiscal Year that the budgeted Capital Costs or O&M Expenses or projected levels of Air Carrier activity it has used to calculate the rates and charges set forth in this Article 5 are likely to vary significantly (higher or lower) from actual results, the City may make adjustments to such rates and charges to conform to its revised forecast (a) as of July 1 of such Fiscal Year or (b) at any other time during such Fiscal Year, if the variance between the budgeted Capital Costs or O&M Expenses or projected levels of Air Carrier activity and actual results is expected to be five percent (5%) or more. The City shall provide the AAAC with at least ten (10) days advance written notice ("Mid-Year Adjustment Notice") of any adjustments to be made under this Section 5.17. The AAAC may, within five (5) days of receipt ofthe Mid-Year Adjustment Notice, request a meeting with the City to review the information that the City used as the basis for an adjustment under this Section 5.17 and if the AAAC does so, the City shall meet with the AAAC within five (5) days ofthe AAAC's request before making any mid-year adjustments.

18 **Annual True-Up**

5.18.1 Adjustments-to-Actual. No later than three hundred sixty live (365) days after the close of each Fiscal Year, the City shall provide to each Air Carrier subject to this Ordinance its Final Accounting, covering the Airport's operations for such preceding Fiscal Year. Such Final Accounting shall contain information sufficient to (a) allow the City to recalculate the rates and charges as set forth in Section 5.3 through Section 5.15 on the basis of actual or the City's then current best estimates of Capital Costs and O&M Expenses, Air Carrier activity and other factors affecting the prescribed calculations and (b) determine the amount of any overpayment (credit) or underpayment (debit) due to or from Landing Fee payors, for their use ofthe Airfield, and due to or from Passenger Carriers, for their use ofthe Terminals.

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2 Landing Fee True-Up. The aggregate credit or debit, if any, due to or from all Air Carriers for Landing Fees, shall be applied to the Airfield Revenue Requirement for the following Fiscal Year under Section 5.3.1(f).

3 Settlements of Terminal Charges. For all other Airport Fees and Charges, any resulting credit will be issued to each Air Carrier, and any resulting debit will be invoiced to and payable by each Air Carrier. If Terminal Charges actually paid by an Air Carrier were greater than the corresponding amounts chargeable to that Air Carrier, the City shall remit the amount of such overpayment to that Air Carrier within thirty (30) days ofthe Air Carrier's receipt of the Final Accounting. If Terminal Charges paid by a Passenger Carrier were less than the corresponding amounts chargeable to that Passenger Carrier, the City shall apply the amount of such deficiency to the account of that Passenger

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Carrier within thirty (30) days of Passenger Air Carrier's receipt of the Final Accounting, and invoice the Passenger Carrier, which amount shall be due and payable within sixty (60) days of invoice.

5.19 Activity Reports

1 Air Carrier Reporting. Each Air Carrier shall provide to the City, on or before the 10th day of each and every month, the Monthly Activity Report for the prior month. Each Monthly Activity Report shall be in a format prescribed by the City, and shall include at least the following information: (a) the aircraft type identifying make, model and series, MGLW, and seating capacity for each type of aircraft used al the Airport; (b) the total MGLW: of (i) all passenger aircraft and, (ii) all cargo aircraft landing at the Airport; (c) the total number of domestic and international enplaned and deplaned passengers served by the Air Carrier at the Airport, including the breakdown of FIS facility and non-FIS Facility deplaned passengers, revenue and non-revenue passengers and enplaned passengers, Main Terminal passengers, Terminal 5 passengers, and O&D Passengers; (d) the total amount (in pounds or kilograms) of domestic and international cargo (freight and express) and mail enplaned, deplaned and through by the Air Carrier at the Airport; (e) the total number of revenue and non-revenue aircraft operations; (f) the Air Carrier's total use of Common Use Gates by date and time, including Gate and aircraft type; (g) the total number of domestic and international Delivered Arriving and Delivered Departing seats; (h) the total number ofthe Air Carrier's Originating Bags for flights utilizing Domestic Common Use Baggage Make-up and. separately, the total number of the Air Carrier's Originating Bags for flights utilizing International Common Use Baggage Make-up Systems; (i) the total number of arriving seats for flights utilizing Common Use Baggage Claim Systems; and (j) the total number of domestic and international Check-in Hours for Common Use Check-in Space.

2 Failure to Report. If an Air Carrier fails to provide to the City any Monthly Activity Report in a timely manner, that Air Carrier's Airport Fees and Charges due under this Ordinance shall be determined by assuming that its activity in any month for which the Air Carrier has failed to report its activity equaled its maximum activity during any ofthe previous twelve (12) months for which the Air Carrier submitted a Monthly Activity Report to the City. Any necessary adjustments in the Air Carrier's charges shall be calculated after it delivers to the City an accurate Monthly Activity Report for the month in question. Resulting credits or debits shall be applied to the appropriate invoices in the next billing period.

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Article 6

PAYMENT OF RENTALS, FEES AND CHARGES AND SECURITY DEPOSIT

6.1 Payment of Landing Fees and Terminal Charges.

Each Air Carrier shall pay to the City, on a monthly basis without invoice, Airport Fees and Charges calculated by the City in accordance with Article 5 as follows:

1 Not later than the first (1st) day of each month of each Fiscal Year, each Passenger Carrier shall remit to the City the amount of its Fixed Terminal Charges, based on the Terminal Rental Rates then in effect.

2 Not later than the twentieth (20th) day of each month of each Fiscal Year, each Air Carrier shall remit to the City the amount of its Landing Fees and Activity-Based Terminal Charges, together with its Monthly Activity Report described in Section 5.19 on which the Air Carrier's payment under this Section 6.1.2 is based; provided, however, that the City may use in the future an automated tracking system instead of an Air Carrier's Monthly Activity Report to determine the amount of Landing Fees due from each Air Carrier.

6.2 Place of Payment; Late Payments.

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1 All amounts due from an Air Carrier hereunder shall be paid in lawful money of the United States of America, without deduction or set off, to the City of Chicago at the Office of the City's Comptroller or at such other place as may be hereafter designated by the City. Each Air Carrier shall pay all amounts payable hereunder by either check, wire transfer or electronic funds transfer ("EFT") or Automatic Clearing House ("ACH"), subject to the City's ability to receive these payments.

2 Any amount which is not paid within live (5) business days of when due and, if appropriate, invoiced, shall bear an annualized interest charge from its due date at a rate three percent (3%) higher than the "US Prime Rate" as published in the Wall Street Journal or similar successor index of national recognition as determined by the Commissioner.

3 Amounts due to the City under this Ordinance from any Air Carrier may be included in the calculation of Airport Fees and Charges hereunder when more than ninety (90) days past due and reasonably deemed by the City to be uncollectible after the City has made commercially reasonable efforts to recover such unpaid amounts taking into account application of any available security deposits both prior to and after the expiration of such ninety (90) day period.

6.3 Payments for Affiliates.

6.3.1 In accordance with and subject to an Air Carrier's Letter of Authorization, an Air Carrier may designate one or more other Air Carriers as its Affiliate for the purpose of committing to pay to the City, on behalf of the Affiliate, all ofthe Affiliate's Airport Fees and Charges, and other charges (including PFCs). Both an Air Carrier and its Affiliate shall remain jointly and severally liable to the City for the payment of all Airport Fees and Charges

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(including PFCs), and the submission of all Monthly Activity Reports, that are due to the City on account of an Affiliate's use of any Airport facilities or services as an Affiliate of another Air Carrier.

6.4 Security Deposits.

1 Delivery and Use of Security Deposit

a) Each Air Carrier shall provide to the City a security deposit equal to the following (the "Security Deposit"):

i) The Air Carrier's estimated Landing Fees for three (3) months (as determined on the basis ofthe published schedule of the Air Carrier and its Affiliates, if any) as of that date and the actual Landing Fee Rate effective as of that date), plus

ii) The Air Carrier's estimated Terminal Charges (including Affiliate's if applicable) for three (3) months.

b) The Security Deposit shall be in the form of a surety bond the terms of which are acceptable to the City or a letter of credit meeting the requirements set forth in Section 6.4.2 to secure the Air Carrier's performance and observance of the Air Carrier's obligations under this Ordinance.

c) In the event that an Air Carrier fails to timely meet its payment obligations under Sections 6.1 and 6.2 or otherwise fails to meet an obligation under this Ordinance, the City may, at its option, upon thirty (30) days notice deduct from the Air Carrier's Security Deposit an amount equal to: (i) any sums payable to the City under this Ordinance; (ii) an amount equal to the City's reasonable costs of recovering possession, re-assigning Air Carrier's

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Assigned Space, and any and all other damages legally recoverable by the City. In any such event, the Air Carrier shall again meet the Security Deposit requirement set forth in Section 6.4.1(a) above within seven (7) days from its receipt of such written notice; provided that if the Air Carrier does not so meet the Security Deposit requirement in a timely manner, the City shall be entitled to set-off such security deposit against the next ensuing payments by the Air Carrier of Airport Fees and Charges until such security deposit is complete. Once triggered, the Security Deposit requirements of this Section 6.4 shall continue until the Air Carrier demonstrates payment performance by having 36 consecutive months of on-time payments, at which time the Air Carrier may request the Security Deposit be returned and at such time the Security Deposit requirement shall be waived and any outstanding Security Deposit returned to Air Carrier.

2 Letter of Credit Requirements

(a) For a Security Deposit in the form of a letter of credit, such letter of credit shall be an irrevocable commercial standby letter of credit for the amount of the Security Deposit in form and substance acceptable to the City that meets the following criteria:

(i) the letter of credit shall provide for its continuance for at least one year from issuance and for automatic extension for additional periods of at least one year from initial expiry date and each subsequent expiry dale, unless the issuer ofthe letter of

credit gives the City notice of its intention not to renew such letter of credit not less than sixty (60) days before such expiry date (a "Nonrenewal Notice");

ii) the letter of credit shall be payable upon the City's presentation of the original of such letter of credit together with a sight draft to the issuer, accompanied by the City's signed statement that the City purports to be entitled to draw on such letter of credit without further notice to the Air Carrier and hold the proceeds thereof;

iii) the letter of credit shall be issued by a commercial bank satisfactory to the City which maintains a branch in Chicago, Illinois provided that the Commissioner and the City Comptroller may jointly agree to waive the requirement set forth above that such financial institution maintain a branch in Chicago for presentment for payment:

1) that is chartered under the laws of the United States or any state thereof, or the District of Columbia:

2) that is insured by the Federal Deposit Insurance Corporation;

3) whose long-term, unsecured and unsubordinated debt obligations are rated by at least two of Fitch Ratings Ltd. ("Fitch"), Moody's Investors Service, Inc. ("Moody's) and Standard & Poor's Ratings Services ("S&P") or their respective successors (the "Rating Agencies") with ratings of not less than A- from Fitch, A3 from Moody's and A- from Standard & Poor's (the "Long-Term LC Issuer Requirements"); and

4) whose short-term rating from at least two Rating Agencies is not less than F2 from Fitch, P-2 from Moody's and A-2 from S&P (the "Short-Term LC Issuer Requirements" and, together with the Long Term LC Issuer Requirements, the "LC Issuer Requirements").

iv) II at any time the LC Issuer Requirements are not met, or if the financial condition of such issuer changes in any other materially adverse way, then the Air Carrier shall within ten (10) days of written notice from the City deliver to the City a replacement letter of credit which otherwise meets the requirements of this

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Ordinance and that meets the LC Issuer Requirements (and the Air Carrier's failure to do so shall, notwithstanding anything in this Ordinance to the contrary, constitute an Event of Default for which there shall be no notice or grace or cure periods being applicable thereto other than the aforesaid ten-day period).

b) The letter of credit shall remain in effect as long as the Air Carrier uses the Airport.

c) The City shall consent to reduce or release such letter of credit when and as this Ordinance would entitle Air Carrier to any reduction or release ofthe Security Deposit.

Use of Letter of Credit

If any ofthe following occurs, then the City may draw upon the balance ofthe letter of credit in an amount equal to the aggregate amount ofthe Security Deposit this Ordinance then requires: (A) the issuer delivers a Nonrenewal Notice that such issuer no longer intends to maintain a branch in Chicago, Illinois and the Air Carrier fails to deliver a replacement letter of credit that complies with this Ordinance within thirty (30) days after the Air Carrier receives the Nonrenewal Notice (for purposes of which, the City and the Air Carrier shall reasonably cooperate to facilitate the simultaneous exchange ofthe old letter of credit for the new letter of credit); (B) the happening of any instance in which the criteria set forth in Section 6.4.2(a) are not met; or (C) if the remaining term of the letter of credit is at any time less than thirty (30) days, but the Air Carrier has not delivered an extension or renewal of such letter of credit for at least one year.

6.5 Right to Contest; No Abatement or Set-off.

1 An Air Carrier's payment to the City, and the City's acceptance from the Air Carrier, of any payment amount hereunder shall not preclude either the Air Carrier or the City from questioning, within six (6) months from the date ofthe Air Carrier's receipt ofthe Final Accounting, the accuracy of any statement on the basis of which such payment was made, or preclude the City from making, within such period, any claim against the Air Carrier for any additional amount payable by the Air Carrier under this Ordinance, or preclude the Air Carrier from making, within such period, any claim against the City for any credit for any excess amount paid by the Air Carrier under this Ordinance; provided, however, that the City shall not be limited by such six-month period if the Air Carrier shall have intentionally underreporled its activity used in calculating any payment due by the Air Carrier under this Ordinance.

2 Notwithstanding the foregoing, no Air Carrier may abate, suspend, postpone, set-off or discontinue any payments of Airport Fees and Charges which it is obligated to pay under this Ordinance.

6.6 Air Carrier Books and Records.

Each Air Carrier shall maintain or make available upon reasonable notice, books (physical or electronic), records and accounts relevant to the determination of any Airport Fees and Charges, each such item of information to be maintained for a period of at least seven years from the date of creation or longer if necessary for pending litigation. If such books, records and accounts are not maintained at its office in Chicago, Illinois, or at the Airport office, the Air Carrier shall in any case maintain such books, records and accounts within the United States or Canada, and the Air Carrier shall promptly furnish the Commissioner, the City Comptroller, the Federal Aviation Administration or the U.S. Comptroller General with all information requested by them with respect to such books, records and accounts. The Commissioner, the City Comptroller, the Federal Aviation Administration or the U.S. Comptroller General, and such persons as may be designated by them, shall each have the right, at all reasonable times, subject to prior written notice to

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the Air Carrier, to examine and make copies of such books, records and accounts. If the requested books, records and accounts are not made available at the Airport, and the City or its auditors are required to travel elsewhere to review them, the City may require that

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the Air Carrier reimburse the City for the reasonable costs of such review of the Air Carrier's books, records and accounts, provided that the City demonstrates an underpayment of five percent (5%) or more.

Article 7

ADDITIONAL OBLIGATIONS OF AIR CARRIERS

7.1 Taxes, Licenses and Permits

1 Each Air Carrier shall pay or cause to be paid any and all taxes and shall obtain or cause to be obtained any and all licenses, permits, certificates and other authorizations required by any governmental authority in connection with the operations or activities performed by the Air Carrier at the Airport, including any and all taxes and other charges in connection with the Air Carrier's use of its Assigned Space.

2 Any taxes associated with or assessed on any personal property of an Air Carrier located within its Assigned Space shall be the obligation of that Air Carrier and, as such, shall be paid by that Air Carrier and not by the City.

3 An Air Carrier shall not permit a lien or encumbrance to attach to its Assigned Space or the Airport by reason of any failure to pay taxes.

7.2 Utilities

Each Air Carrier shall be solely responsible for paying all utilities associated with the Ait-Carrier's Assigned Space, to the extent such utilities are metered or otherwise calculated to identify usage within the Assigned Space, provided that standards for separate payment and metering are applied consistently among Air Carriers throughout the Airport.

Article 8 NOTICES

Except as otherwise expressly provided hereunder, all notices and other communications provided for under this Ordinance shall be in writing and shall be: (a) mailed; (b) personally delivered; or (c) to the extent expressly permitted elsewhere in this Ordinance for a specific notice or as mutually agreed by the City and an Air Carrier, sent by electronic mail with electronic receipt. Each Air Carrier shall provide to the City the contact and address for;notices to that Air Carrier. Notices to the City shall be sent to:

Commissioner
Chicago Department of Aviation Chicago O'Hare International
Airport l0510WestZemke Road Chicago, IL 60666 [Electronic
Mail Address:]

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With a copy to:

General Counsel
Chicago Department of Aviation
Chicago O'Hare International Airport
10510 West Zemke Road
Chicago, IL 60666
[Electronic Mail Address:]

Except as otherwise expressly provided hereunder, any notice or communication under this Ordinance shall be deemed to have been given or made: (a) if a messenger or courier service is used, when delivered to the addressee; (b) if sent by mail (certified or by other method with tracking and confirmation receipt), upon receipt, or upon attempted delivery where delivery is refused or mail is unclaimed five (5) days after being deposited in the mails, postage prepaid and properly addressed; and (c) if sent by electronic mail, upon receipt by the City of a written reply or electronic receipt.

(The remainder of this page is left intentionally blank)

SECTION III. Letters of Authorization. The Commissioner is authorized to execute Letters of Authorization in substantially the forms attached hereto as Exhibit B and Exhibit C with air carriers that seek to operate at O'Hare. as contemplated by the Rates and Operations Section of this Ordinance.

SECTION IV. Rate Agreements. The Commissioner is further authorized to execute Rate Agreements in substantially the form attached hereto as Exhibit D with air carriers that operate at O'Hare.

SECTION V. Codification. Section 10-36-190 ofthe Municipal Code of Chicago is hereby amended by inserting the underscored language and deleting the struck-through language, as follows:

10-36-190 Compensation for use of Chicago-O'Harc International Airport and Chicago Midway Airport.

No person shall use the airport facilities of Chicago-O'Hare International Airport or Chicago Midway Airport, including non-commercial private aircraft, without paying compensation for the use of such facilities in accordance with the following schedule of fees:

a) For each landing at Chicago-O'Hare International Airport of an aircraft operated by an Air Carrier, as defined in the O'Hare Rates and Operations Ordinance adopted by the City Council on December 13. 2017 (for purposes of this section, the "O'Hare Rates and Operations Ordinance"), ~~a signatory to (I) an Amended and Restated Chicago O'Hare International Airport Use Agreement and Terminal Facilities Lease, in the form approved by the city council as of January 1, 1985, as it may be amended from time to time ("O'Hare Use Agreement"), or (ii) an International Terminal Use Agreement and Facilities Lease, in the form approved by the city council as of January 1, 1990, as it may be amended from time to time,~~ the landing fee rate per ~~1,000 pounds approved maximum landing weight~~ shall be the landing fee rate then in effect pursuant to the O'Hare ~~Use Agreement~~ Rates and Operations Ordinance.

b) For each landing at Chicago-O'Hare International Airport of an aircraft other than those specilied in subsection (a), the landing fee rate ~~per 1,000 pounds approved maximum landing weight~~ shall be determined by the commissioner of aviation consistent with the O'Hare Rates and Operations Ordinance.

c) For each aircraft at Chicago-O'Hare International Airport parking for each 24-hour period or

fraction thereof in an aircraft parking area designated as public, a fee thereof shall be ~~equal to the prescribed landing fee for such aircraft at the airport, except that no fee shall be due for parking an aircraft in such an area during the first hour after landing~~determined pursuant to the O'Hare Rates and Operations Ordinance.

(Omitted text is unaffected by this ordinance) ~~commissioner of aviation as a~~

~~Common Use Gate for common, non exclusive use of air~~lines

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~~shall be paid by each airline which uses such Common Use Gate. The commissioner of aviation is hereby authorized to set, in compliance with all applicable federal laws, rules, regulations and orders, the Common Use Gate Charge from time to time applicable to each Common Use Gate calculated-m-a manner designed to-achieve-cost recovery plus,-if determined-by the commissioner of aviation to be in the best interests ofthe City, a premium not to exceed thirty live percent. The Common Use Gate Charge shall be published in the Rules and Regulations for Chicago O'Hare International Airport.~~

SECTION VI. Effective Dates. Section II of this Ordinance, the Rates and Operations Section, and Section V, Codification, shall be in full force and effect from and after May 12, 2018.

The remainder of this Ordinance shall be in full force and effect from and after the date of its passage and approval.

Exhibits A, B, C. and D referred to in this Ordinance read as follows:

(The remainder of this page is left intentionally blank)

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EXHIBIT A

to the O'HARE RATES AND OPERATIONS ORDINANCE ILLUSTRATIVE

RATE CALCULATIONS

Table 1 Landing Fee - O'Hare International Airport

	Index	Airfield
Airfield Revenue Requirement Capital Costs		
Existing Debt Service		
CIP Debt Service		
TAP Debt Service		
Less'		
Pledged PFC Revenues		
Federal Funds, BAB Subsidy and Others Net Debt Service Debt		
Service Coverage Program Fees and Other Costs Amortization		
Equipment Purchases and Small Capital Outlay		
Subtotal Capital Costs [A] O&M Expenses [B] Required Deposits [C]		
Subtotal	[D]=[A] thru [C]	
Less:		
Other Airfield Revenues (a) [E] Interest Income [F] Landing Fee True-ups for prior Fiscal Years [G]		
Airfield Revenue Requirement	[H]=[D] thru [G]	
Forecast Maximum Gross Landed Weight [I]		
Landing Fee Rate [H]/[I]		

(a) Including revenues from general aviation operations, and remain-over-night and hardstand fees if any.

Table 2 Terminal Rental Rates

Chicago - O'Hare International Airport

	Main O&D		
	Index	Terminal	Terminal
Gross Terminal Revenue Requirements Capital Costs			
Existing Debt Service			
CIP Debt Service			
TAP Debt Service			
Less:			
Pledged PFC Revenues			
Federal Funds, BAB Subsidy and Others Net Debt Service			
Debt Service Coverage Program Fees and Other Costs			
Amortization			
Equipment Purchases and Small Capital Outlay			
Subtotal Capital Costs	[A]		
O&M Expenses	[B]		
Required Deposits	[C]		

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Less: Interest Income	[D]
Gross Terminal Revenue Requirements	[E]=[A] thru [D]
Less:	
Costs of City-owned Baggage Claim/Make-up Systems	[F]
City Equipment Costs	[G]
FIS Equipment Costs	[H]
City Janitorial Costs	[I]
Terminal Space Revenue Requirements	[J]=[E] thru [I]
Airline Rentable Space Ratio	[K]
Airline Terminal Space Revenue Requirements	[L]=[J]*[K]
Weighted Airline Terminal Rentable Space	[M]
Base Terminal Rental Rate	[N]=[L]*[M]
Discount Ratio -	[O]
Discount Terminal Rental Rate	[N]*[0]
City Janitorial Costs	
Space Subject to Janitorial Surcharge	
Janitorial Surcharge Rate	[P]
Terminal Rental Rate - Base Space	[N]
Terminal Rental Rate with Janitorial Surcharge	[N]+[P]

Table 3
Preferential Use City-Owned Baggage System Charges Chicago - O'Hare International Airport

	Index	Reg.
Preferential Use City-owned Baggage Make-up Charge		
Capital Costs	[A]	
O&M Expenses	[B]	
Preferential Use City-owned Baggage Make-up Charge	[A]+[B]	
Preferential Use City-owned Baggage Claim Charge		
Capital Costs	[C]	
O&M Expenses	[D	
Preferential Use City-owned Baggage Claim Charge	[C]+[D]	

Table 4 Common Use Gate Fees Chicago - O'Hare International Airport

Domestic Common Use Gate Revenue Requirements
Main Terminal Common Use Holdroom
Terminal 5 Common Use Holdroom
City Equipment Costs Domestic Common Use Gate Revenue Requirement
Domestic Common Use Gate Total Delivered Seats Domestic Common Use Gate Fee

Imputed Domestic Common Use Gate Fee
Common Use Holdroom at Average Terminal Rental Rate
548,000 Annual Total Delivered Seats Imputed Domestic Common Use Gate Fee

International Common Use Gate Revenue Requirement
Main Terminal Common Use Holdroom
Terminal 5 Common Use Holdroom
City Equipment Costs Subtotal
Less: Domestic Common Use Gate Fees for Int'l Gate International Common Use Gate Revenue Requirement
Int'l Common Use Gate Seats (a) Int'l Common Use Gate Fee
Index

[A] [B] [A]/[B]

[C] [D [C]/[D]

[E] [Fl
[G]=[E]+[F]
[H] [G]/[H]

(a) Including Delivered Departing International Seats and Arriving International Seats Without FIS Users.

Table 5
Common Use Baggage System Charges Chicago - O'Hare International Airport

	Index	Rate	Space	Reg.
Domestic Common Use Baggage Make-up Revenue Requirement				
Main Terminal Common Use Baggage Make-up				
Terminal 5 Common Use Baggage Make-up				
Main Terminal Common Use Baggage Make-up Equipment Costs				
Terminal 5 Common Use Baggage Make-up Equipment Costs Domestic Common Use Baggage Make-up Revenue Req. [A]				
Outbound Checked Bags [B] Domestic Common Use Baggage Make-up Charge [A]+[B]				
International Common Use Baggage Make-up Revenue Requirement				
Main Terminal Common Use Baggage Make-up				
Terminal 5 Common Use Baggage Make-up				
Main Terminal Common Use Baggage Make-up Equipment Costs				
Terminal 5 Common Use Baggage Make-up Equipment Costs International Common Use Baggage Make-up Revenue Req. [C]				
Outbound Checked Bags [D] International Common Use Baggage Make-up Charge [C]+[D]				
Common Use Baggage Claim Revenue Requirement				
Main Terminal Common Use Baggage Claim				
Terminal 5 Common Use Baggage Claim				
Main Terminal Common Use Baggage Claim Equipment Costs				
Terminal 5 Common Use Baggage Equipment Claim Costs Common Use Baggage Claim Revenue Requirement [E]				
Arriving Domestic Seats and other applicable seats [F] Common Use Baggage Claim Charge [E]+[F]				

Table 6
Common Use Check-in Charges Chicago - O'Hare International Airport

Domestic Common Use Check-in Revenue Requirement			
Mam Terminal Common Use Check-in			
Terminal 5 Common Use Check-in			
City Equipment Costs Domestic Common Use Check-in Revenue Requirement			
Domestic Common Use Check-in Hours Domestic Common Use Check-in Charge Index			
	[A]	[B]	[A]/[B]
Int'l Common Use Check-in Revenue Requirement			
Main Terminal Common Use Check-in			
Terminal 5 Common Use Check-in			
City Equipment Costs Int'l Common Use Check-in Revenue Requirement			
Int'l Common Use Check-in Hours Int'l Common Use Check-in Charge			
	[C]	[D]	[C]/[D]

Table 7 FIS Facility Fee Chicago - O'Hare International Airport

	Index	Rate	Space	Reg.
FIS Revenue Requirement				
Main Terminal FIS Facility				
Terminal 5 FIS Facility				
FIS Baggage Claim Costs FIS Revenue Requirement [A]				
FIS Users [B] FIS Facility Fee [A]/[B]				

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Table 8
Airport-wide Conveyance Fee
Chicago - O'Hare International Airport

	Roadway	ATS Airport-wide

	Index	Costs	Costs Conveyance
Airport-wide Conveyance Requirement Capital Costs			
Existing Debt Service			
CIP Debt Service			
TAP Debt Service			
Less:			
Pledged PFC Revenues			
Federal Funds, BAB Subsidy and Others Net Debt Service			
Debt Service Coverage Program Fees and Other Costs			
Amortization			
Equipment Purchases and Small Capital Outlay			
Subtotal Capital Costs [A] O&M Expenses [B] Required Deposits [C]			
Airport-wide Conveyance Requirement	[D]=[A] thru [C]		
O&D Passengers [E]			
Airport-wide Conveyance Fee [D]/[E]			

Table 9
Remain-over-night and Hardstand Fees Chicago - O'Hare International Airport

	Index	Amount
Revenue Requirements Capital Costs		
Existing Debt Service		
CIP Debt Service		
TAP Debt Service		
Less:		
Pledged PFC Revenues		
Federal Funds, BAB Subsidy and Others Net Debt Service Debt		
Service Coverage Program Fees and Other Costs Amortization		
Equipment Purchases and Small Capital Outlay		
Subtotal Capital Costs	[A]	
O&M Expenses	[B]	
Required Deposits	[C]	
Subtotal	[D]=[A] thru [C]	
Divided by Number of Parking Positions	[E]	
Annual Costs per Parking Position	[F]=[D]/[E]	
Average Annual Turns per Common Use Gates	[G]	
Remain-over-night Fee	[H]=[F]/[G]	
Hardstand Discount	[I]	
Hardstand Fee	[H]*[I]	

EXHIBIT B

to the O'HARE RATES AND OPERATIONS ORDINANCE Form of One-Year LETTER OF AUTHORIZATION

LETTER OF AUTHORIZATION

[NAME] [TITLE] [AIRLINE]
[ADDRESS]

SUBJECT: LETTER OF AUTHORIZATION
CHICAGO O'HARE INTERNATIONAL AIRPORT

Dear [NAME],

As required by Section 1.5 ofthe O'Hare International Airport Rates and Operations Ordinance (the "Ordinance"), this Letter of Authorization ("LOA") from the City of Chicago ("City") grants [Airline] ("Airline") certain rights to use the Airfield and certain designated space within the Terminal Complex (as those terms arc defined in the Ordinance) at O'Hare International Airport (the "Airport") subject to the terms and conditions specified in the Ordinance, Exhibit A, and the Terms and Conditions ("Terms and Conditions"), Exhibit B, both of which are attached and incorporated by reference into this LOA. Airline agrees to comply with the Ordinance for as long as Airline operates at the Airport unless and until both Airline and City have executed an Airline Use and Lease Agreement ("AULA") with an effective date on or after May 12. 2018, at which point the AULA, rather than the Ordinance, will govern Airline's operations at the Airport. Failure of Airline to comply with the Ordinance shall be a default under this LOA and shall entitle the City to terminate this LOA and to exercise all other rights and remedies set forth in the Ordinance or otherwise legally available.

Each reference in this LOA and the Terms and Conditions to any of the following subjects shall incorporate the information specified below:

City: City of Chicago.

City's Overnight Delivery and Street Address:

Attn: [Contact and Address] City's Post Office

and Payment Address:

Attn: [Contact and Address]

Airline: <Airline Legal Name>

Airline's Overnight Delivery Address:

Attn: [Contact and Address]

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Airline's Post Office Delivery Address:

Effective Date: Term:

Expiration Date: Extensions:

Attn: [Contact and Address] May 12, 2018.

The period of time beginning on the Effective Date and ending on the Expiration Date, unless earlier terminated as provided in this LOA.

December 31, 2019.

By written notice to the City prior to the end of the Term, and subject to advance written approval by the Commissioner, Airline may extend the Term for a period not to exceed 12 months. Airline may not terminate this LOA, accelerate any expiration date, or reduce the amount of Exclusive Use Space or Preferential Use Space assigned under this LOA prior to the end ofthe Term.

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All other capitalized words and phrases used in this LOA have the meanings set forth in the Ordinance or the Terms and Conditions or, if not so set forth, shall have their usual and customary meanings.

Assigned Space
Notice: The Assigned Space Notice attached as Exhibit C to this Letter of Authorization designates space in each Terminal, if any, that will be made available by the City for use by Airline as Exclusive Use Space or Preferential Use Space. Airline's use of its assigned Exclusive Use Space and Preferential Use Space shall be subject to the Ordinance and the Terms and Conditions.

Permitted Uses: As provided in Article 3 ofthe Ordinance.

Calculation of Rates And Charges and
Payment: Article 5 ofthe Ordinance establishes the Airport Fees and Charges that Airline must pay for use of space and other facilities at the Airport. Airline's payment obligations are specified in Article 6 ofthe Ordinance.

Security Deposit: $|Security Deposit], if required under the the Ordinance. Notices:

If to the City, to:

Commissioner
Chicago Department of Aviation Chicago O'Hare
International Airport 10510 West Zemke Road Chicago, IL
60666
[Non-individual Electronic Mail Address:]

With a copy to:

General Counsel Chicago Department of Aviation Chicago
O'Hare International Airport 10510 West Zemke Road
Chicago, IL 60666
[Non-individual Electronic Mail Address:]

If to Airline for all notices, except notices pursuant to Sections 2.3, 6.2, 8.13 or 11.7.2 ofthe Terms and Conditions, to:

If to Airline for notices on environmental matters pursuant to Section 8.13,

to:

[cc: airline general contact]
[Non-individual Electronic Mail Address]

If to Airline pursuant to Section 2.3 (City's Right of Entry) or Section 6.2 (Performance by City upon Failure of Airline) of the Terms and Conditions, to:

[local station manager]
[cc: airline general contact]
[Non-individual Electronic Mail Address]

With a copy to AAAC Representative:

or to such other person or address as either the City or Airline may hereafter designate by written notice to the other in accordance with this Notice section. Except as otherwise expressly provided hereunder, any notice or communication under this Letter of Authorization shall be deemed to have been given or made: (a) if a messenger or courier service is used, when delivered to the addressee; (b) if sent by mail (certified or by other method with tracking and confirmation receipt), upon receipt, or upon attempted delivery where delivery is refused or mail is unclaimed five (5) days after being deposited in the mails, postage prepaid and properly addressed; and (c) if sent by electronic mail, upon receipt by the City of a written reply or electronic receipt. Airline agrees to provide the City with any changes to its notice information, including electronic mail addresses, within five (5) business days of such change.

Designation of Agent for Service of Process:

With respect to Section I 1.7.2 (Service of Process) ofthe Terms and Conditions, Airline hereby designates as its agent in Chicago, Illinois;

Please acknowledge receipt of this LOA and agreement to all of the provisions of this LOA, including the attached Terms and Conditions, by signing in the space provided below and returning the original to this office along with any required security deposit and certificates of insurance.

Sincerely,

[NAME I
[TITLE]
City of Chicago
Department of Aviation

Attachments:
Exhibit A O'Hare Pates and Operations Ordinance
Exhibit B Terms and Conditions
Exhibit C Assigned Space Notice

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[SIGNATURE BLOCKS]

EXHIBIT B to the LETTER OF AUTHORIZATION TERMS AND CONDITIONS CITY OF CHICAGO O'HARE INTERNATIONAL AIRPORT

LETTER OF AUTHORIZATION TERMS AND CONDITIONS

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Article 1

DEFINITIONS

1.1 Definitions

The following words, terms and phrases shall, for purposes of these Terms and Conditions, have the following meanings. All other capitalized words and phrases used in this Letter of Authorization shall have the meanings otherwise set forth in the Ordinance or the Letter of Authorization or, if not so set forth, shall have their usual and customary meanings.

"AAAC" or "Airline Airport Affairs Committee" means the Airline Airport Affairs Committee consisting of designated representatives of Air Carriers operating at the Airport.

"AAAC Representative" means the person designated in writing by Airline to serve as its representative

for purposes of this Letter of Authorization.

"Affiliate" means an Air Carrier providing air service at the Airport that (a) has been properly designated as an Affiliate in accordance with another Air Carrier's Letter of Authorization, and either (b) is a parent or subsidiary of the designating Air Carrier or a subsidiary of said Air Carrier's parent company or under the same parental control as said Air Carrier, or (c) to the extent that it:

i) operates flights under an International Air Transport Association (1ATA) flight designator code of the Air Carrier designating it as its Affiliate; or

ii) otherwise operates under essentially the same trade name of the Air Carrier designating it as its Affiliate and uses essentially the same livery as said Air Carrier; or

iii) operates cargo feeder flights at the Airport under the direction and control ofthe Air Carrier designating it as its Affiliate.

"Air Carrier" means a carrier certificated by the Secretary ofthe U.S. Department of Transportation as a Passenger Carrier under 49 U.S.C. § 41102 or a Cargo Carrier under 49 U.S.C. § 41103.

"Air Transportation Business" means that business operated by Airline al the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.

"Airfield" means those areas of the Airport that provide for the landing, taking off, taxing and parking of aircraft, and all facilities, equipment and improvements now or hereafter located thereon, including the runways, taxiways. Apron Areas and facilities at the Airport for the purpose of controlling and assisting arrivals, departures and operations of aircraft using the Airport, such as control towers or other facilities operated and maintained by the FAA or any other federal agency, security fences, service roads, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from but related to the rest of the Airfield as all such areas,

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facilities, equipment and improvements may be modified, improved, or enlarged from time to time by the City.

"Airline" means the Air Carrier named on this Letter of Authorization.

"Airline Airport Affairs Committee" or "AAAC" means the Airline Airport Affairs Committee consisting of designated representatives of Air Carriers operating at the Airport.

"Airline Alliance" means the Star Alliance, SkyTeam, oneworld and similar airline partnerships.

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

"Airport Fees and Charges" means, for any Fiscal Year, all rents, charges and fees payable by all Air

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Carriers for such Fiscal Year as determined and adjusted pursuant to the Ordinance.

"Airport Rules" means, collectively, all rules, procedures, requirements, protocols and regulations currently effective and hereinafter amended, adopted or established by the City applicable to Airport operations and users, all of which are incorporated into and made a part of this Letter of Authorization.

"Alliance Partner" means a Passenger Carrier that is (a) a member of the same Airline Alliance as another Passenger Carrier and (b) has been designated an Alliance Partner by such other Passenger Carrier under its Letter of Authorization.

"Applicable Laws" means, collectively, all applicable present and future federal, state and local laws, rules, regulations and ordinances, as they may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including without implied limitation those relating to (i) health, sanitation and safely; (ii) the environment, including without limitation the Environmental Laws; (iii) access for persons with disabilities, including without limitation the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.; and (iv) airport security, including without limitation the regulations ofthe Transportation Security Administration, 49 CFR Parts 1540, 1542, 1544 et seq.

"Apron Areas" means the paved areas surrounding the Terminal Complex intended for use by aircraft or aircraft servicing equipment used by Passenger Carriers, including hardstand positions and the paved areas available for use in common by or for the benefit of the Cargo Carriers, as all such paved areas may be modified, improved, or enlarged from time to time by the City.

"Artwork" means any work of visual art as defined in Section 101 ofthe Copyright Act.

"Assigned Space" means any: (a) Exclusive Use Space, (b) Preferential Use Space and (c) Common Use Space assigned to Airline by City under this Letter of Authorization; provided, however, that in the case of Common Use Space, such areas will only constitute "Assigned Space" during the period of time for which Airline has the right to use such areas.

"Assigned Space Notice" means the notice described in Section 2.1.

"Assignment" means to assign, transfer, convey, sell, mortgage, pledge or encumber as described further in Section 2.2.

"Associated Party(ies)" means Airline's employees, contractors, subcontractors, agents, licensees, Affiliates, vendors, invitees (excluding passengers), any other Air Carrier that Airline expressly authorized to use its Assigned Space, and other parties under Airline's direction or control that come onto the Aiiport arising out of or relating to Airline's use ofthe Airport, but excluding Air Carriers that Airline is compelled by the City to accommodate within Airline's Assigned Space.

"Baggage Claim Space" means the footprint of the Baggage Claim Systems and proximate circulation space designated by the Commissioner, as such designations may be adjusted from time to time by the City.

"Baggage Claim Systems" means all the equipment that delivers Inbound Checked Bags from inbound aircraft to arriving passengers and including baggage claim devices and interline belts.

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"Bond Indenture" means the Master Indenture of Trust Securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations, dated as of September 1, 2012, as the same may be amended, supplemented and restated from time to time, and any ordinance, credit agreement or indenture, or combination thereof adopted or authorized 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 ofthe Airport, or any ordinance or indenture supplemental thereto.

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

"Cargo Carrier" means a carrier certificated by the Secretary ofthe U.S. Department of Transportation as a Cargo Carrier under 49 U.S.C. § 41103.

"CDA" or "Department of Aviation" means the Chicago Department of Aviation, or any successor agency thereto.

"Check-in Space" means the space in the Terminals for passenger check-in. including the space used for counters, self-service kiosks and passenger and baggage check-in queuing

space, designated by the Commissioner, as such designations may be adjusted from time to time by the City.

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

"City Indemnified Parties" means the City, its elected and appointed officials, officers, agents, employees, contractors, consultants and representatives.

"Claim(s)" means any and all losses, liabilities, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards and settlements as described further in Section 7.1.1.

"Commissioner" means the Commissioner of the Department of Aviation, his or her designee, or any successor to the duties of such official.

"Common Use Baggage Claim Space" means the Baggage Claim Space in the Terminals designated by the Commissioner to be used in common by Passenger Carriers for arriving domestic flights or arriving international flights not carrying FIS Users, as such designations may be adjusted from time to time by the City.

"Common Use Check-in Space" means Check-in Space designated by the Commissioner to be used in common by Passenger Carriers. Common Use Check-in Space may be separately designated by the City as Domestic and International.

"Common Use Gate" means the Gates designated by the Commissioner, in accordance with the

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Ordinance and the Terminal Space Use Protocols, to be used in common by Passenger Carriers operating at the Airport, and shall not be deemed to include any Preferential Use Gates, as such designations may be adjusted from time to time by the City. Common Use Gates may be separately designated by the City as Domestic and International.

"Common Use Space" means those areas designated by the Commissioner within the Terminal Complex, including Common Use Gates (and associated Gate Ramps and Apron Areas), Common Use Check-in Space, Common Use Baggage Make-up Space, and Common Use Baggage Claim Space that are made available by the City to one or more Passenger Carriers, as such designations may be adjusted from time to time by the City. Common Use Space may be separately designated by the City as Domestic and International.

"Concluding Walk-Through" shall mean a report documenting the observations and findings made by a representative or consultant of the City regarding the environmental condition of Airline's Assigned Space or any portion thereof and their state of compliance with Environmental Laws and to document Airline's compliance with Section 8.1.11 during a physical walk-through of Airline's Assigned Space or any portion thereof by the City and Airline prior to the date that they are vacated or surrendered.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Contractor" means a person or firm hired by Airline to act as an agent or independent contractor, whether or not Airline is reimbursed by the City for costs of hiring such person or firm, as well as subcontractors of any such agent or independent contractor, in connection with or pursuant to the performance of any acts or obligations under the Ordinance or a Letter of Authorization.

"Copyright Act" means the U.S. Copyright Act (17 U.S.C. § 101 et seq.).

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

"Department of Aviation" or "CDA" means the Chicago Department of Aviation, or any successor agency thereto.

"Discharge" means an act or omission by which Hazardous Substances or Other Regulated Material, now or in the future, are leaked, spilled, poured, deposited, or otherwise disposed into land, wetlands or Waters, or by which those substances are deposited where, unless controlled or removed, they may drain, seep, run or otherwise enter said wetlands or Waters.

"Dispose", "Disposal" or "Disposing" and variants thereof mean the discharge, deposit, injection, dumping, spilling, leaking, or placing of any Hazardous Substance or Other Regulated Material into or on any land or water so that such Hazardous Substance or Other Regulated Material or any constituent thereof may enter the environment or be emitted into the air or discharged into any waters, including ground waters.

"Effective Date" means the Effective Date as described in this Letter of Authorization.

"Environmental Claim" means any demand, cause of action, proceeding or suit (a) for damages (actual or punitive), injuries to person or property, taking or damaging of property or interests in property without just

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compensation, nuisance, trespass, damages to natural resources, fines, penalties, interest, or (b) losses, or for the costs of site investigations, feasibility studies, information requests, health or risk assessments, contribution, settlement, or actions to correct, remove, remediate, Respond to, clean up, prevent, mitigate, monitor, evaluate, assess, or abate the Release of a Hazardous Substance or Other Regulated Material, or any other investigative, enforcement, cleanup, removal, containment, remedial, or other private or governmental or regulatory action at any time threatened, instituted, or completed pursuant to any applicable Environmental Law, or (c) to enforce insurance, contribution, or indemnification agreements being made pursuant to a claimed violation or non-compliance with any Environmental Law.

"Environmental Indemnitees" shall have the meaning set forth in Section 8.7.

"Environmental Law(s)" means any Federal, state, or local law. statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 1 1001 et seq.: the Toxic Substances

Control Act, 15 U.S.C. § 2601 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq.; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago ("MWRD"); the Municipal Code of the City of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

"Event of Default" means an Event of Default as defined in Section 10.1.

"Exclusive Use Space" means any office space, operation space, storage area, VIP Lounges, employee break room, baggage service office or other areas ofthe Terminal Complex designated for Airline's exclusive use, subject to Section 2.1.2 and as more fully described in the Assigned Space Notice.

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

"Facilities Maintenance Protocols" means the City's policies and rules governing the maintenance of equipment and facilities at the Airport, as may be developed, and as may be amended from time to time by the Commissioner, after consultation with the AAAC, which may include a matrix detailing operations and maintenance responsibilities of the City, the Airline, the Equipment and Services Consortium, and any other parties as indicated herein.

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

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"Federal Bankruptcy Code" means 11 U.S.C. § 101 et seq.

"FIS Facilities" means the federal inspection services facilities wherever located in any Terminal, including the sterile corridors connecting any such facilities to International Gates as they may be adjusted from time to time by the City.

"FIS User" means passengers (excluding flight crew) including pre-cleared passengers arriving on international flights who are required to use the FIS Facilities for customs purposes.

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

"Gate" means an area of the Terminal made up of Holdroom Space and a portal or stairwell, if any, through which passengers must pass to board or disembark an aircraft and the associated Gate Ramp.

"Gate Ramp" means the Apron Area associated with a Gate.

"Hazardous Substance" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"Holdroom Space" means the area associated with a Gate for the staging of passengers waiting to board an aircraft at the Gate.

"IATA" means the International Air Transport Association, a trade association of the world's airlines that is currently headquartered in Montreal, Quebec, Canada with executive offices in Geneva, Switzerland.

"Inbound Checked Bags" means inbound bags or other checked items delivered on Baggage Claim Systems.

"Initial Walk-Through" shall mean a report documenting the observations and findings made by a representative or consultant of the City, in consultation with Airline, regarding the environmental condition of Airline's Assigned Space and their state of compliance with Environmental Laws during a physical walk-through of the Assigned Space by the City and Airline prior to the date Airline occupies the Assigned Space or conducts operations thereon pursuant to the Ordinance or this Letter of Authorization.

"International Gate" means a Gate with direct passenger access to FIS Facilities that has currently been designated by the City for international operations, as such designations may be adjusted from time to time by the City.

"Letter of Authorization" means this Letter of Authorization, together with its Exhibits, including these Terms and Conditions, as hereafter amended or supplemented from time to time in accordance with its terms.

"Main Terminal" means the terminal buildings, associated concourses and facilities, other than Terminal5, as all such facilities may be modified, improved, or enlarged from time to time.

"Monthly Activity Report" is the accurate summary report prepared by Airline describing Airline's

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operations (and the operations of Airline's Affiliates, if any) at the Airport during the month preceding the month in which the summary is submitted to the City, signed by an authorized representative of Airline certifying the accuracy of the information set forth therein, and submitted by Airline to the City in accordance with Section 5.19.1 ofthe Ordinance.

"Municipal Code" means the Municipal Code ofthe City at the time in effect.

"NPDES" means the National Pollutant Discharge Elimination System.

"O&M Expenses" means the costs incurred by the City in operating and maintaining the Airport's facilities.

"Ordinance" means the O'Hare Rates and Operations Ordinance.

"Other Regulated Material" means any Waste, Contaminant, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, or (b) is a hazard to the environment or to the health or safety of persons.

"Passenger Carrier" means a Passenger Carrier certificated by the Secretary ofthe U.S. Department of Transportation under 49 U.S.C. § 41102.

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

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

"Preferential Use Baggage Claim Space" means Baggage Claim Space assigned to Airline or another Passenger Carrier in accordance with the terms and conditions of this Letter of Authorization.

"Preferential Use Baggage Make-up Space" means Baggage Make-up Space assigned to Airline or another Passenger Carrier in accordance with this Letter of Authorization.

"Preferential Use Check-in Space" means Check-in Space assigned to Airline or another Passenger Carrier in accordance with this Letter of Authorization.

"Preferential Use Gate" means a Gate assigned by the City to Airline or another Passenger Carrier for preferential use in accordance with this Letter of Authorization.

"Preferential Use Space" means those areas within the Terminal Complex and Apron Area, including Preferential Use Gates, Preferential Use Baggage Make-up Space, Preferential Use Baggage Claim Space and

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Preferential Use Check-in Space, to which a Passenger Carrier has a higher priority of use over all other Passenger Carriers as more fully described in this Letter of Authorization and the Terminal Space Use Protocols.

"Prior Use and Lease Agreement" means the Chicago-O'Hare International Airport Amended and Restated Airport Use Agreement and Terminal Facilities Lease with a stated expiration date of May 11, 2018 ("Main Terminal Prior Use and Lease Agreement") or International Terminal Use Agreement and Facilities Lease with a stated expiration date of

May 11, 2018 ("Terminal 5 Prior Use and Lease Agreement"), or other substantially similar agreement to use or lease the Terminal Complex or the Airfield.

"Release" or "Released" means any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, Discharging, injecting, escaping, leaching, dumping or Disposing of any Hazardous Substance or Other Regulated Material into the environment.

"Response" or "Respond" means action taken in compliance with Environmental Laws to correct, remove, remediate, clean-up, prevent, mitigate, treat, monitor, evaluate, investigate, assess or abate the Release of any Hazardous Substance or Other Regulated Material, or to prevent or abate any public nuisance.

"Revenues" means "Revenues" as defined in the Bond Indenture.

"Runways" means paved areas at the Airport designated for the landing and taking-off of aircraft, including all associated safety areas.

"Securities Exchange Act" means the Securities Exchange Act of 1934.

"S WPPP" means Storm Water Pollution Prevention Plan.

"Taxiways" means paved areas designated as taxiways and taxilanes at the Airport for the ground movement of aircraft to, from and between the Runways, aircraft parking areas and other portions ofthe Airport.

"Term" means the Term as specified in the Letter of Authorization.

"Terminal" means the Main Terminal or the O&D Terminal.

"T-5" or "Terminal 5" means the terminal buildings, associated concourses and facilities, designated as Terminal 5 of the Airport, as all such facilities may be modified, improved, or enlarged from time to time.

"Terminal Complex" means the Main Terminal and Terminal 5.

"Terminal Space Use Protocols" means the City's policies and rules governing priorities, procedures and requirements for the assignment and use of Common Use Space and Preferential Use Space in the Terminal and on the Apron Area, including Gate, Check-in, and Baggage-Systems use, assignment and scheduling and accommodation, as the same may be amended from time to time by the Commissioner with reasonable notice to the Air Carriers operating at the Airport.

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"Terms and Conditions" means these Terms and Conditions as attached to a Letter of Authorization.

"VIP Lounge" means those areas of Exclusive Use Assigned Space used by Airline to provide premium services to its passengers.

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to. construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

"Waste Sections" has the meaning set forth in Section 9.15.

"Waters" has the meaning set forth in 415 ILCS 5/3.550, as amended from time to time.

2 Interpretation

The terms "hereby," "herein," "hereof," "hereunder" and any similar terms used in these Terms and Conditions refer to Airline's Letter of Authorization, including these Terms and Conditions.

The term "including" shall be construed to mean "including, without limitation."

All references in these Terms and Conditions to Articles, Sections, subsections, clauses, provisions, sentences or exhibits, unless otherwise expressed or indicated, are to Articles, Sections, subsections, clauses, provisions, sentences or Exhibits of these Terms and Conditions.

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

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

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

All references to a number of days means calendar days, unless otherwise expressly indicated.

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

3 Incorporation of Exhibits

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The following Exhibits attached hereto are hereby made a part of these Terms and Conditions:

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Exhibit A Requirements for Reimbursable Projects Exhibit B

Affiliate Designation Form Exhibit C Alliance Partner Designation

Form Exhibit D Compliance with Laws

Any changes that occur from time to time consistent with the terms of these Terms and Conditions shall be reflected in revised Exhibits provided by the City to Airline. Such revisions shall be deemed to be effective without requiring a formal amendment to these Terms and Conditions.

Article 2

AIRLINE'S ASSIGNED SPACE

2.1 Rights to Use Assigned Space.

1 Assigned Space Notice. On or before the Effective Date, the City will issue to Airline an Assigned Space Notice, attached to its Letter of Authorization as Exhibit C, that will designate which areas of the Airport that the City will make available for Airline's use as: (a) Exclusive Use Space and/or (b) Preferential Use Space. Airline acknowledges and agrees that the Assigned Space Notice may be revised by the City and reissued to Airline from time to time during the Term pursuant to its Letter of Authorization and the Terminal Space Use Protocols. The City and Airline agree that, upon issuance by the City, and acknowledgement in writing by Airline, each revised Assigned Space Notice shall be deemed attached to and incorporated into its Letter of Authorization as Exhibit C, and shall supersede and replace the last issued Assigned Space Notice deemed attached to and incorporated into its Letter of Authorization as Exhibit C without the need for a written amendment of this Letter of Authorization signed by the City and Airline.

2 Exclusive Use Space. The City grants to Airline, subject to the Ordinance, this Letter of Authorization and the Terminal Space Use Protocols, the exclusive right to use the Exclusive Use Space identified in the Assigned Space Notice.

3 Preferential Use Space. The City grants to Airline, subject to the Ordinance, this Letter of Authorization and the Terminal Space Use Protocols, the right to use, on a preferential use basis, the Preferential Use Space identified in the Assigned Space Notice.

4 Condition of Assigned Space. Except as otherwise expressly provided in this Letter of Authorization, including the City's maintenance responsibilities under Section 6.1, Airline specifically acknowledges and agrees that the City is permitting Airline's use of the Assigned Space on an "as is with all faults" basis and that Airline is not relying on any representations or warranties of any kind whatsoever, express or implied, from the City, as to any matters concerning its Assigned Space.

2.2 Assignment and Subletting

1 Airline covenants that it will not (i) assign, transfer, convey, sell, mortgage, pledge or encumber (any of the foregoing events being referred to as an "Assignment") or (ii) sublet its assigned Exclusive Use Space or Preferential Use Space or any part thereof, or any rights of Airline hereunder or any interest of Airline in its Letter of Authorization, nor will Airline allow the use of its assigned Exclusive Use Space or Preferential Use Space by any Air Carrier, except as otherwise provided in Section 2.2.2.

2 Airline may allow the use of its Assigned Space by any of Airline's Affiliates, Alliance Partners, Air Carriers handled by Airline, or any third-parly contractors allowed access to its assigned Exclusive Use Space or Preferential Use Space without seeking the City's consent, provided that (a) Airline delivers to the City prior written notice of intent to

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grant such access; and (b) such Affiliate, Alliance Partner, Air Carrier or third-party contractor agrees to comply with the terms ofthe Ordinance and this Letter of Authorization.

2.2.3 Notwithstanding the foregoing, this Section 2.2 shall not be interpreted to preclude the Assignment of this Letter of Authorization to a parent, subsidiary, subsidiary of a parent or merged company if such parent, subsidiary, or merged company conducts Air Transportation Business at the Airport and assumes all rights and obligations under this Letter of Authorization. Written notice of such assumption shall be provided by the parent, subsidiary, subsidiary of a parent or merged company within thirty (30) days of such Assignment.

3 **City's Right of Entry**

The City, by its officers, employees, agents, representatives, contractors, consultants and furnishers of utilities and other services, shall have the right at all times upon reasonable notice to enter Airline's Assigned Space for the purpose of inspecting the same, for emergency repairs to utilities systems, and for any other purpose necessary for or incidental to or connected with the performance ofthe City's obligations hereunder, or in the exercise of its governmental functions or in the City's capacity as Airport owner. The City shall endeavor to make all reasonable efforts to conduct each inspection, repair or other activity in a manner that does not unreasonably interfere with Airline's operations. The City will provide forty-eight (48) hours advance notice as provided in the Notices provision in this Letter of Authorization (which may be provided by telephone accompanied with, or separately by, written notice or electronic mail to Airline's local operations manager) of any planned inspection or intrusive sampling to Airline, except in emergencies, when advance notice shall not be required. Airline may accompany City when any such inspection or sampling is performed, provided that City is not required to unreasonably delay its inspection or sampling to enable Airline to be present. The City shall repair any damage to Airline's Assigned Space caused by such inspection or intrusive sampling and the cost of any repairs shall be an O&M Expense ofthe Terminal Complex. Notwithstanding the above, the City, its contractors and other agents' right of entry to Airline's Assigned Space to perform environmental inspections and sampling shall be governed exclusively by Section 8.2.

4 **Quiet Enjoyment**

The City covenants, unless otherwise provided by the Ordinance or this Letter of Authorization, that, if Airline shall perform all obligations and make all payments as provided herein, Airline shall peaceably have and enjoy the Assigned Space and all the rights, privileges, appurtenances and facilities granted herein, subject to the exercise of governmental police powers by either the City or any other governmental authority having jurisdiction over the Airport.

5 **Surrender and Removal of Personal Property**

2.5.1 Airline covenants and agrees to surrender possession of the Assigned Space (or a portion ofthe Assigned Space) upon:

(a) the expiration or early termination of this Letter of Authorization; or

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(b) the termination of any holdover period

in substantially the same condition as of the Effective Date (or in the case of improvements or alterations made or fixtures installed subsequent thereto, then as of the date of such improvements, alternations, or fixtures were made or installed), reasonable wear and tear, damage from casualty, and repairs that are the responsibility of the City, all excepted. No act or thing done by the City during the Term of this Letter of Authorization shall be deemed acceptance of a surrender of Airline's Assigned Space, and no agreement to accept such surrender shall be valid, unless in writing and signed by the City. Airline's improvements to the Assigned Space, if any, shall be left in place or removed in accordance with terms mutually agreed by the City and the Airline.

2 In the event of such expiration or earlier termination of this Letter of Authorization, Airline shall have thirty (30) days after such expiration or termination during which to remove personal property and trade fixtures; provided, however, the City shall have the right to assert such lien or liens against said property as the City may by law be permitted. Any damage to the Airport, the structure, the Assigned Space or any fixtures located therein resulting from such removal shall be repaired or paid for by Airline.

3 If, upon expiration or earlier termination of this Letter of Authorization, Airline shall fail to remove any personal property or trade fixtures as herein required, the City may, at its option, (a) remove said personal property and trade fixtures and hold them for the owners thereof, or may place the same in a public warehouse, all at the expense and risk of Airline; or (b) deem such property abandoned and keep such property or, after written notice to Airline and at Airline's sole risk and expense, remove such property to a public warehouse, or retain the same in the City's possession and after the expiration of thirty (30) days sell the same with notice and in accordance with applicable law, the proceeds of such sale shall be applied first to the expenses of such removal and sale, second to any sum owed by Airline to the City, and any balance remaining shall be retained by the City. If the expenses of such removal, storage, disposal and sale shall exceed the proceeds of sale, Airline shall pay such excess to the City upon demand. Airline shall indemnify, defend, release and hold harmless the City from any and all damage, cost and expenses related to said removal, storage, disposal or sale under this Section 2.5.3, which obligations shall survive expiration or earlier termination of this Letter of Authorization.

2.6 Hold Over

Airline acknowledges it is bound to comply with all provisions ofthe Ordinance and this Letter of Authorization until Airline vacates the Assigned Space. If Airline holds over, refuses, or fails to give up the possession of its Assigned Space or the relevant portion thereof, as applicable, on the expiration or earlier termination of this Letter of Authorization without express written consent ofthe City, no periodic tenancy will be deemed to be created, and the City shall have all rights and remedies under Applicable Laws to recover the Assigned Space and damages, including recovery of interest, attorney's fees and costs. In addition to the continuing Airport Fees and Charges payable, the City shall assess a penalty in the amount of twenty-five (25%) percent of the Airport Fees and Charges payable for such Assigned Space at the time of expiration or termination of this Letter of Authorization for the first sixty (60) days of such hold

over and fifty percent (50%) of such Airport Fees and Charges thereafter. Furthermore, if the City so elects, the City may accept payment of Airport Fees and Charges from Airline and concurrently commence legal

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proceedings to regain possession of the Assigned Space. The foregoing provisions shall not serve as permission to Airline to hold over, nor serve to extend the Term. The provisions of this Section 2.6 shall not operate as a waiver of any right of the City under the Ordinance, this Letter of Authorization or Applicable Laws to re-enter and take possession ofthe Assigned Space.

7 **No Warranty of Condition or Suitability**

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

8 **City's Title**

The City's title to the Assigned Space and the Airport is and always shall be paramount to the interest of Airline in the Assigned Space. Nothing herein contained empowers Airline to commit or engage in any act which can, shall or may encumber the title ofthe City.

9 **Work on Airlines' Assigned Space**

1 Airline shall have the right to perform work (such as planning, design, fabrication, installation, construction, start-up, and testing) in its assigned Exclusive Use Space and Preferential Use Space. All such work shall be subject to this Letter of Authorization, any reimbursement, ground lease or other agreement between Airline and the City relating to such work, and all applicable procedures issued by the Commissioner in accordance with the terms hereof, including, without limitation, the City's most current version of CDA Design and Construction Manuals.

2 As set forth in greater detail in any reimbursement agreement, ground lease or other agreement relating to such work between Airline and City, Airline may not commence such work within its assigned Exclusive Use Space or Preferential Use Space without (a) the City's prior written approval ofthe plans and proposals relating thereto, which approval shall not be unreasonably withheld, conditioned, or delayed, and (b) receipt of all necessary City. County, and other governmental approvals, licenses, and permits in connection therewith.

3 To the extent the City reimburses Airline for the costs of such work. Airline and City shall comply with the terms set forth in the City's current form of reimbursable agreement, as such agreement may be reasonably revised by the City from time to time and

modified to address the nature of specific projects. Laws and other requirements governing such reimbursable projects are set forth in Exhibit A.

2.9.4 Airline covenants and agrees that it shall keep the Assigned Space and any interest therein

and any improvements thereon free and clear of any and all liens in any way arising out the construction, improvement or use thereof by Airline.

Article 3

ASSIGNMENT AND USE OF SPACE

3.1 Types of Gates.

1 Airline acknowledges that no Gates at the Airport shall be assigned for any Passenger Carrier's exclusive use. Each Gate shall be designated by the City as a Common Use Gate or Preferential Use Gate in accordance with and subject to the terms of this Article 3.

2 The City shall retain exclusive control of the use of all Common Use Gates in accordance with the Terminal Space Use Protocols.

3 Airline's use of all Gates shall at all times be in compliance with and subject to the Terminal Space Use Protocols.

2 Assignment of Preferential Use Gate Rights and Conversion of Common Use Gates to Preferential Use Gates. Airline acknowledges and agrees that the City must, among other factors, balance the need for Common Use Gates to provide opportunities for new entry, expansion of incumbent Passenger Carrier flight activity and operational flexibility, with the desires of Passenger Carriers for Preferential Use Gates. Airline acknowledges that Airline has no right to the assignment of any Preferential Use Gate other than the Preferential Use Gates assigned in the Assigned Space Notice and that the duration of Airline's rights to those Preferential Use Gates is limited to the Term of this Letter of Authorization.

3 Inconveniences During Construction. Programs of construction, reconstruction, expansion, temporary relocation, maintenance and repair may inconvenience Airline in its operations at Airport. City will make all reasonable efforts to provide alternative accommodations to mitigate adverse effects of such programs. Airline agrees that no liability shall attach to the City by reason of such inconvenience, and Airline waives any right to claim damages or other consideration.

4 City's Right to Accommodate Other Passenger Carriers on Airline's Preferential Use Gates and other Preferential Use Space. The City shall have the right to accommodate other Passenger Carriers on Airline's Preferential Use Gates and in other Preferential Use Space assigned to Airline as specified in the Terminal Space Use Protocols. As a condition to such accommodation, the accommodated Passenger Carrier shall agree to indemnify Airline to the same extent Airline is required to do so pursuant to Section 7.1.

Article 4

AFFILIATES AND ALLIANCE PARTNERS

4.1 Airline's Designation of Affiliates. Subject to the.^provisions of this Article 4,

Airline may designate one or more Affiliates to operate at the Airport. In the event Airline

designates an Affiliate, the following provisions shall apply to Airline and its Affiliates:

1 Airline's designation of an Affiliate shall not be effective until Airline has first (a) notified the Commissioner in writing, using the Affiliate Designation Form attached to these Terms and Conditions as Exhibit B, that Airline intends to designate an Air Carrier as an Affiliate, to the extent that the Air Carrier is conducting activity on behalf of Airline; (b) ensured that the Affiliate has entered into a Letter of Authorization with the City; and (c) confirmed for the Commissioner in writing that either: (i) Airline will pay to the City all of the Affiliate's Airport Fees and Charges or (ii) Airline will cause its Affiliate to pay to the City all of the Affiliate's Airport Fees and Charges.

2 Airline shall pay or cause its Affiliate to pay to the City all Airport Fees and Charges due to the City on account ofthe Affiliate's use of any Airport facilities, and

3 Airline shall submit or shall cause Airline's Affiliate to submit to the City all Monthly Activity Reports detailing each Affiliate's use of any Airport facilities or services as an Affiliate of Airline in accordance with Section 5.19 of the Ordinance.

4 Airline shall report and shall cause each of its Affiliates to report and pay to the City any PFCs that they respectively collect on account of enplaning passengers at the Airport.

5 Both Airline and the Affiliate shall remain jointly and severally liable to the City for the payment of all Airport Fees and Charges and PFCs, and for the submission of all Monthly Activity Reports, that are due to the City on account of the Affiliate's use of any Airport facilities or services as an Affiliate of Airline.

2 Applicability of this Letter of Authorization to Affiliates. For so long as Airline and its Affiliates have complied with the payment and reporting obligations under ARTICLE 5 and ARTICLE 6 ofthe Ordinance, then each Affiliate shall have the same rights as Airline to use Airline's Assigned Space, subject to Section 2.2.

3 Designation by More than One Air Carrier. More than one Air Carrier may from time to time designate the same Passenger Carrier as its Affiliate, and each such Air Carrier shall only be responsible for and credited with such Passenger Carrier's operations when such Passenger Carrier operates as such Air Carrier's Affiliate.

4 Termination of Status of Affiliate. A Passenger Carrier's status as Affiliate of Airline may be terminated by Airline upon thirty (30) days prior notice to the City provided that Airline's liability to the City for the payment of all Airport Fees and Charges as indicated in the Affiliate Designation Form, and the submission of all Monthly Activity Reports, that arc due to the City on account ofthe use of any Airport facilities or services by Airline's Affiliates shall

survive any termination of Affiliate status; provided, however, that Airline shall be responsible for such payments and reports as they relate to the terminated Affiliate's operations through the effective date ofthe

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termination of Affiliate status.

5 Airline's Designation of Alliance Partners. From time to time, Airline may designate one or more Alliance Partners by notifying the Commissioner in writing, using the Alliance Partner Designation Form attached as Exhibit C ofthe Airline Alliance that Airline and the Alliance Partner are members of and providing reasonable, publicly available documentation that such Airline Alliance is active.

6 Application of Letter of Authorization to Alliance Partners. For so long as Airline and each of its Alliance Partners have complied with their payment and reporting obligations under Article 5 and Article 6 of the Ordinance, then:

1 Airline may exercise its rights with respect to its Alliance Partners set forth in Section 2.2.2 of this Letter of Authorization and Sections 3.2.4, 3.2.5 and 3.5 of the Ordinance.

2 . Airline's designation of an Alliance Partner shall not affect either Airline's or its Alliance Partner's payment or reporting obligations under the Ordinance or this Letter of Authorization.

7 Designation by More than One Passenger Carrier. No more than one Passenger Carrier may from time to time designate the same Passenger Carrier as its Alliance Partner.

8 Termination of Status of Alliance Partner. A Passenger Carrier's status as Alliance Partner of Airline may be terminated by Airline upon thirty (30) days written notice to the City.

Article 5

SUBORDINATION TO BOND INDENTURE AND APPLICATION OF AIRPORT REVENUE

1 **Definitions.**

Capitalized words and phrases used in this Article 5 but not defined in Article 1 shall have the meanings set forth in the Bond Indenture or, if not so set forth, shall have their usual and customary meanings.

2 **Subordination to Bond Indenture.**

In the event of any conflict between this Letter of Authorization and the Bond Indenture, the terms and conditions of the Bond Indenture will control. For example, but not by way of limitation, subject to the terms and provisions of the Bond Indenture, it is mutually understood and agreed that, so long as any bonds, contracts or other obligations treated as Senior Lien Obligations or Junior Lien Obligations which are secured by or payable from Revenues under the Bond Indenture are outstanding, the deposit and application of Airport Revenues, or any casualty or condemnation proceeds, shall be governed by the Bond Indenture, but subject to applicable law.

3 **Assignment by the City.**

The City may assign, in accordance with the Bond Indenture, if applicable, and with the terms of this Letter of Authorization, certain of its interests in and pledge certain revenues and receipts under the Ordinance as security for payment ofthe principal of, premium, if any, and interest on obligations issued pursuant to the Bond Indenture.

Article 6

ADDITIONAL OBLIGATIONS OF THE AIRLINE AND THE CITY

6.1 Operation, Maintenance, Replacement and Repair

1 The City shall, in accordance with the Facilities Maintenance Protocols, operate, maintain and keep in good repair, expending such amounts for O&M Expenses as may be reasonably necessary therefor, all of the areas and facilities of the Airport except as specifically excepted by Section 6.1.2.

2 Airline shall, in accordance with the Facilities Maintenance Protocols, be responsible for and shall perform or cause to be performed, maintenance and repair of its assigned Exclusive Use Space and Preferential Use Space and equipment owned by Airline at the Airport. Airline shall, at all times:

a) keep all fixtures, equipment and personal property in a clean, safe, sanitary and orderly condition and appearance;

b) maintain all fixtures, equipment and personal property owned by Airline and its Exclusive Use Space and Preferential Use Space in good condition (reasonable wear and tear excepted) and perform all ordinary repairs, replacements and inside painting, such repairs, replacements and painting by Airline to be of a quality and class not inferior to the original material and workmanship;

c) for any equipment installed in or on Airline's Exclusive Use Space and Preferential Use Space that is purchased using the proceeds of any financing sponsored by the City, repair, maintain and replace such equipment as is necessary to assure that at the end of the term hereof the fair market value of such equipment and its remaining useful life will be consistent with, and sufficient to establish for applicable tax and accounting purposes, ownership of such equipment by the City; and

d) either directly or through a Contractor (which Contractor shall obtain a City permit), dispose of its garbage, debris and other waste materials (excluding snow and ice).

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

6.2 Performance by the City upon Failure of Airline

If Airline or its Affiliate, Contractor or Alliance Partner (a) fails to perform, for a period of thirty (30) days after written notice from the City to Airline and Airline's AAAC representative, in accordance with the Notices section of this Letter of Authorization, any

obligation required under this Article 6; or (b) if the obligation cannot be performed within thirty (30) days and has Airline failed to initiate corrective action within thirty (30) days ofthe City's notice or fails to diligently pursue such corrective action once initiated, then the City may perform such obligation of Airline (or its Affiliate, Contractor or Alliance Partner) without further notice and charge Airline for the costs of its performance plus an administrative fee of fifteen percent (15%); provided, however, that if Airline's (or its Affiliate's, Contractor's or Alliance Partner's) failure to perform any such obligation endangers the health or safety of persons or the safety of operations at the Airport and the City so states in its notice to Airline, the City

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may perform such obligation of Airline (or its Affiliate, Contractor or Alliance Partner) without waiting thirty (30) days after its notice if Airline does not take prompt action to address the issue after City has given such notice and charge Airline for its costs of its performance plus an administrative fee of twenty-five percent (25%). For any notices relating to this Section 6.2, the parties agree that written notice (in the forms provided in the Notices section of this Letter of Authorization) is required but that the City may, at its option, provide supplemental notice by electronic mail to Airline and Airline's AAAC representative.

6.3 City Ownership of Airport

Airline agrees and irrevocably elects, with respect to itself and any successors in interest under this Letter of Authorization that it will not claim depreciation or an investment credit for purposes of federal income taxes with respect to any portion of the Airport except an improvement or project that has been solely financed by Airline.

Article 7

INDEMNIFICATION AND INSURANCE

7.1 Indemnification.

1 Airline shall defend, indemnify and hold harmless (a) the City Indemnified Parties; and

(b) to the extent another Air Carrier accommodates Airline pursuant to the Terminal Space Use Protocols, such Air Carrier, in each case to the maximum extent allowed by applicable statutes and case law, from and against any and all losses, liabilities, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards and settlements (each individually, a "Claim," and collectively, the "Claims"), including payments of claims of liability resulting from any injury or death of any person or damage to or destruction of any property, arising out of or relating to:

a) the tortious acts or omissions of Airline or its Associated Parties;

b) Airline's or its Associated Party's use or occupancy of the Airport and the Airline's Assigned Space;

c) the violation by Airline of any provision of the Ordinance, its Letter of Authorization or of any law, ordinance, regulation or court order affecting the Airport; or

d) suits of whatever kind or nature alleging violations of any federal or state laws as a result of any actions taken by Airline or its Associated Parties, or the Airline's failure to comply with obligations imposed upon Airline or its Associated Parties, pursuant to the Ordinance or its Letter of Authorization;

and Airline will, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not. To the extent City Indemnified Parties reasonably expend any cost and expense, including attorney fees, in investigating or responding to such claims, demands and suits, Airline will reimburse the City Indemnified Parties for all such costs and expense, subject to Section 7.1.7.

2 Without limiting the foregoing, Airline shall also defend, indemnify and hold harmless the City Indemnified Parties:

a) from and against any and all claims or liability for compensation under any workers" compensation statute arising out of the injury or death of any employee of the Airline. Airline shall cause its licensees and Contractors to maintain in effect al all times workers' compensation insurance as required by law; and

b) from, and to assume all liability for. and to pay, all taxes and assessments for payment of which the City may become liable and which by law may be levied or assessed on the Assigned Space of Airline pursuant to the Ordinance or its Letter of Authorization, or which arise out of the operations of Airline or by reason of Airline's occupancy

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of its Assigned Space. However, Airline may, at its own risk, cost and expense, and at no cost to the City, contest, by appropriate judicial or administrative proceedings, the applicability or the legal or constitutional validity of any such tax or assessment, and the City will, to the extent permitted by law, execute such documents as are necessary to permit Airline to contest or appeal the same. Airline shall be responsible for obtaining bills for all of said taxes and assessments directly from the taxing authority and shall promptly deliver to the City copies of receipts of payment. In the event the City receives any tax billings, it will forward said billings to Airline as soon as practicable.

3 Without limiting the foregoing, Airline shall cause any Contractor to agree to protect,

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defend, indemnify and hold the City Indemnified Parties free and harmless from and against any and all claims, damages, demands, and causes of action of all kinds including claims of property damage, injury or death, in consequence of granting the relevant Contract or arising out of or being in any way connected with the Contractor's performance under the Ordinance or this Letter of Authorization except for matters shown by final judgment to have been caused by or attributable to the negligence of any City Indemnified Party to the extent prohibited by 740 ILCS 35/1 et seq. The indemnification provided herein shall be effective to the maximum extent permitted by applicable statutes. To the extent Contractor fails to defend any and all claims, demands or suits against the City Indemnified Parties including claims by any employee, Contractors, agents or servants of Contractor even though the claimant may allege that a City Indemnified Party is or was in charge of the work or that there was negligence on the part of a City Indemnified Party, Airline shall be responsible for such defense. To the extent City Indemnified Parties reasonably expend any cost and expense, including attorney fees, in investigating or responding to such claims, demands and suits, Airline will reimburse the City Indemnified Parties for all such costs and expense, subject to Section 7.1.7. "Injury" or "damage," as such words are used in this Section 7.1 shall be construed to include injury, death or damage consequent upon the failure of or use or misuse by Contractor, its subcontractors, agents, servants or employees, of any scaffolding, hoist, cranes, stays, ladders, supports, rigging, blocking or any and all other kinds of items of equipment, whether or not the same be owned, furnished or loaned by the City. Notwithstanding Airline's obligation to cause any Contractor to agree to the requirements set forth in this Section 7.1.3 Airline's failure to cause Contractor to do so shall not constitute a breach hereof, provided that Airline performs all such actions Contractor would have been required to perform under this Section 7.1.3, including indemnifying and defending the City, itself.

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

5 The City shall be invited to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings related to any Claim against the City, provided that City shall bear the costs of its participation to the extent such participation is not in furtherance of the City's defense of any such Claim. The City shall approve the terms of any settlement which require the City to perform or refrain from

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performing any action, provided that such approval will not be unreasonably withheld if a settlement includes a full and unconditional release for City Indemnified Parties.

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

7 Notwithstanding the provisions of this Section 7.1, in the event that the City and Airline mutually agree or a court of competent jurisdiction determines by a final order that a City Indemnified Party's negligence or willful and wanton misconduct is at least fifty-one (51%) ofthe total fault which proximately caused the Claims, Airline's obligation to indemnify the City for amounts to be paid in connection with the

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Claims shall be limited to the amount attributable to Airline's and its Associated Parties' proportionate share ofthe total fault which proximately caused the Claims. The City and Airline agree, however, that this Section 7.1.7 is not intended to obviate or lessen in any way Airline's duty to defend the City Indemnified Parties; provided, however, that to the extent City and Airline mutually agree or a court of competent jurisdiction rules that the Claims were the result of the sole negligent act or omission or the willful and wanton misconduct of a City Indemnified Party, the City shall reimburse Airline for its proportionate share ofthe costs of defense, including, but not limited to, attorneys' fees and court costs. For the avoidance of doubt, City shall reimburse Airline for all defense costs Airline incurred with respect to defending the City Indemnified Parties against Claims to the extent that City and Airline mutually agree or a court of competent jurisdiction rules that such Claims were the result ofthe sole negligent act or omission of a City Indemnified Party.

8 Notwithstanding the provisions of this Section 7.1, the Airline's indemnification obligations for Environmental Claims are set forth in Article 8.

9 The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the City or a City Indemnified Party that would exist at common law or under other provisions of the Ordinance or this Letter of Authorization, and the extent of the obligation of indemnification shall not be limited by any provision of insurance undertaken in accordance with the Ordinance or this Letter of Authorization.

10 Subject to Section 7.1.7, an Airline shall be liable for any loss or damage to any personal property or equipment ofthe Airline, its agents, servants, employees, officials, or independent contractors.

11 Airline waives the right of contribution against the City Indemnified Parties, subject to Section 8.1.7, and subrogation against the City Indemnified Parties.

7.2 Insurance

7.2.1 Insurance Coverage Required. Airline shall procure and maintain at all times, at Airline's own expense, the types of insurance specified below, with insurance companies having an AM Best rating of A - or better, financial size rating of IV or better; or (a)

for those insurance companies not subject to AM Best's rating or (b) in extraordinary circumstances as determined by the City in its sole discretion, such insurance companies shall have a similar nationally or internationally recognized reputation and responsibility as reasonably approved by the City covering all operations under the Ordinance and this Letter of Authorization performed by Airline. The kinds and amounts of insurance required are as follows:

a) Workers' Compensation and Employer's Liability Insurance. Workers' Compensation Insurance, as prescribed by applicable law, covering all employees who are to provide a service under the Ordinance or this Letter of Authorization with statutory limits. Such insurance shall include Employer's Liability Insurance coverage with limits of not less than $1,000,000 each accident; $1,000,000 disease-policy limit; $1,000,000 disease-each employee. Coverage shall include other states endorsement, alternate employer and voluntary compensation, when applicable.

b) Commercial General/Airline Liability Insurance (Primary and Umbrella).

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Commercial General/Airline Liability Insurance or equivalent coverage with limits of not less than $750,000,000 per occurrence and in the aggregate for war risks and allied peril, for Air Carriers using passenger aircrafts with 100 seats or more and $500,000,000 per occurrence and in the aggregate for war risks and allied peril, for Air Carriers using passenger aircrafts with less than 100 seats for bodily injury (including death), personal injury, property damage liability, aircraft liability (including passengers) and physical damage of each aircraft, including a $25,000,000 sublimit for personal injury to non-passengers. Such insurance shall include but not be limited to: all premises and operations, products/completed operations, war risk and allied peril liability (including terrorism), liability for any auto (owned, non-owned and hired) including liability for vehicles on the restricted access area of the Airport, including but not limited to baggage tugs, aircraft pushback tugs, air stair trucks and belt loaders, mobile equipment, hangar keepers liability, cargo liability, explosion, collapse, underground, separation of insureds, defense, independent contractors, liquor liability and blanket contractual liability (not to include Endorsement CG 21 39 or equivalent).

The City shall be named as an additional insured on Airline's policy and coverage shall be at least as broad as that afforded the named insured. Also, in the event that another Air Carrier accommodates Airline pursuant to the Terminal Space Use Protocols, such Air Carrier shall be named as an additional insured on the policy and coverage shall be at least as broad as that afforded the named insured. The additional insured coverage shall not have any limiting endorsement or language under the policy such as but not limited to, Airline's sole negligence or the City vicarious liability. The Air Carrier's insurance shall be primary without right of contribution by any other insurance or self-insurance maintained by the City.

To the extent Airline relics on excess or umbrella insurance to satisfy the requirements of this subsection (ii) or (iii). any such policy shall follow form and be no less broad than the underlying policy, shall cover the term of underlying policy without interruption, and shall include a drop down provision with no gap in policy limits.

c) Automobile Liability Insurance (Primary and Umbrella). When any motor vehicles are used in connection with work to be performed by or on behalf of the

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Airline, the Airline shall provide Automobile Liability Insurance with limits of not less than $10,000,000 per occurrence combined single limit, for bodily injury and property damage for any auto including owned, non-owned or hired autos; provided, however, that Airline may reduce the foregoing amount to $1,000,000 per occurrence combined single limit so long as Airline's Commercial General/Airline Liability Insurance or equivalent coverage includes excess auto liability. The City and any Air Carrier accommodating Airline pursuant to the Terminal Space Protocols shall be named as an additional insured on a primary, non-contributory basis.

d) All Risk Builders Risk Insurance. When Airline undertakes any construction at the Airport, including improvements, betterments or repairs, the Airline shall provide or cause its Contractor to provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facility. Coverage extensions shall include boiler and machinery, earthquake and flood.

e) All Risk Property Insurance. Whenever Airline has authorization to use or access any Airport premises, All Risk Property Insurance shall be maintained at replacement cost valuation basis covering all loss, damage, or destruction for such premises including improvements and betterments and

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property in Airline's care, custody and control. Coverage shall include but not limited to boiler and machinery, earthquake, flood, sprinkler leakage, debris removal and business interruption and extra expense. The City and any Air Carrier accommodating Airline pursuant to the Terminal Space Use Protocols shall be named as a loss payee, as their interests may appear. Airline shall be responsible for all loss or damage to personal property owned, rented or used by Airline.

f) Professional Liability. When any architects, engineers, project managers, construction managers or other professional consultants perform work in connection with the Ordinance or this Letter of Authorization, Professional Liability Insurance covering acts, errors or omissions shall be maintained by such architects, engineers, project managers, construction managers or other professional consultants with limits of not less than $2,000,000; provided, however, that design and construction architects, engineers, project managers, construction managers or other professional consultants who perform work with respect to any construction project undertaken by Airline pursuant to the Ordinance or this Letter of Authorization the cost of which is in excess of $50,000,000 shall be maintained with limits of not less than $5,000,000. When policies are renewed or replaced, the policy retroactive date shall coincide with, or precede, start of work on the contract. A claims made policy that is not renewed or replaced shall have an extended reporting period of at least two (2) years.

g) Pollution Liability Insurance. Pollution Liability Insurance shall be provided covering bodily injury, property damage, clean-up and other losses caused by pollution conditions or incidents including any Release, Discharge, or Disposal of a Hazardous Substance or Other Regulated Material with limits of not less than $10,000,000 per pollution condition or loss and $10,000,000 annual aggregate. Coverage shall include but not be limited to: response to and remediation of new, preexisting, known and unknown on-site and off-site pollution conditions and incidents, emergency response costs, repairs, removals, abatement, corrective actions, transportation, contractual liability and defense. When policies are renewed, the policy retroactive date shall coincide with or precede, start of work in connection with the Ordinance. A claims-made policy which is not renewed or replaced shall have an extended

reporting period of two (2) years. The City and any Air Carrier accommodating Airline pursuant to the Terminal Space Use Protocols is to be named in the policy as an additional insured.

Coverage shall also include but not be limited to (a) underground and above ground storage tank(s) owned or operated by the Airline or its Associated Parties including any on site integral piping or dispensing equipment at the Airport and (b) any structural controls (above-ground or below-ground) used to treat sanitary sewer waste and storm water runoff operated by the Airline or Associated Parties on its Assigned Space, as set forth in Section 8.1.6 of the Ordinance.

As an alternative to obtaining Pollution Liability Insurance, an Airline may provide for reasonable limits of self-insurance as agreed with the City against the environmental risks that would be covered by a third -party insurer providing Pollution Liability Insurance. If the Airline self-insures against such environment risks, the Airline shall make available its financial statement on-line. All amounts paid to the City by the Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Letter of Authorization.

7.2.2 Additional Requirements.

a) Evidence of Insurance. Airline will furnish the Commissioner and any Air Carrier

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accommodating Airline pursuant to the Terminal Space Use Protocols, with original Certificates of Insurance or similar documentation and a copy of the additional insured endorsements, where applicable, evidencing the coverage required to be in force on the date of this Letter of Authorization, as well as renewal Certificates of Insurance and additional insured endorsements, or such similar evidence, if the coverages have an expiration or renewal date. Airline shall submit evidence prior to commencing its use of the Airport. The receipt of a certificate or other insurance evidence does not constitute an agreement by the City that the insurance coverage required in this Letter of Authorization has been fully met or the insurance policies indicated on the certificate or other evidence of insurance provided are in compliance with all the Ordinance requirements. Failure of the City to obtain certificates or any other insurance evidence from Airline showing compliance with these requirements of the Ordinance is not a waiver by the City of any requirements for Airline to obtain and maintain the specified coverages. Airline shall advise all insurers of the Ordinance provisions regarding insurance. The City in no way warrants that the insurance required herein is sufficient to protect Airline for liabilities that may arise from or relate to the Ordinance or this Letter of Authorization. The City reserves the right to inspect complete, certified policy copies (or electronic copies thereof) of any required insurance at a mutually agreed location within the State of Illinois within ten (10) days ofthe City's written request.

b) Failure to Maintain Insurance. The insurance hereinbefore specified shall be carried as long as Airline operates at the Airport. Failure to carry or keep such insurance in force shall constitute a violation of the Ordinance. To the extent there is such a failure, the City shall provide written notice thereof and Airline shall have fifteen (15) business days to cure such failure.

c) Notice of Cancellation, Material Change and Non-Renewal. Airline shall provide for thirty (30) days' advance notice to the City in the event coverage

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required in this Letter of Authorization (except coverage for war and allied peril risk, for which Airline shall provide seven (7) days' advance notice or such other period as may be agreed by the City and Airline) has substantially changed, canceled, or non-renewed. Upon the earlier of Airline's receipt of a cancellation notice for non-payment of premium or Airline's knowledge thereof. Airline shall provide immediate notice to the City of such cancellation or impending cancellation with Airline's written plan for curing such non-payment and preventing nonpayment of premiums thereafter.

d) Insurance Required of Contractors and Affiliates. In each contract with any Contractor or Affiliate, Airline shall require such Contractor or Affiliate to obtain insurance coverages to adequately cover risks associated with any such Contractor or Affiliate that are reasonably appropriate in their limits and other terms and conditions to the nature of the contract and standard in the industry within which such Contractor or Affiliate practices. Airline shall determine if Contractor or Affiliate should provide any additional coverage or other coverage required herein. Such coverages shall insure the interests of the City, its employees, elected officials, agents and representatives including naming the City of Chicago as an additional insured on an additional insured form acceptable to the City. Airline is also responsible for ensuring that each Contractor or Affiliate has complied with the required coverage and terms and conditions outlined in this Section 7.2.2. When requested by the City, Airline shall provide, or cause to be provided, to the City certificates of insurance and copies of additional insured endorsements or such other evidence of insurance, acceptable in form and content to the City. The City reserves the right to inspect complete, certified policy copies (or electronic copies thereof) of any required insurance at a mutually agreed to location within the State of Illinois within ten (10) days ofthe City's written request. Failure of the Contractors or Affiliate to comply with required coverage and terms and condition outlined herein will not limit Airline's liability or responsibility.

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e) No Limitation as to Airline's Liabilities. Airline expressly understands and agrees that any insurance coverages and limits furnished by Airline shall in no way limit Airline's liabilities and responsibilities specified within the Ordinance, this Letter of Authorization or by law.

(I) Waiver of Subrogation. Airline waives and shall cause its insurers to waive, and Airline shall cause each of its Contractors and Affiliates and each of Contractor's and Affiliate's insurers to waive, their respective rights of subrogation against the City Indemnified Parties for recovery of damages to the extent these damages are covered by the following insurance obtained by Airline pursuant to this Letter of Authorization; (1) Worker's Compensation and Employer's Liability Insurance; (2) Commercial General/Air Carrier Liability Insurance (primary and umbrella); (3) Automobile Liability Insurance; (4) All Risk Blanket Builder's Risk Insurance; and (5) All Risk Property Insurance. With respect to the waiver of subrogation for Worker's Compensation and Employer's Liability Insurance. Airline shall obtain an endorsement equivalent to WC 00 03 13 to effect such waiver.

In the event the insurers of Airline, or the insurers of any Contractor or Affiliate, should seek to pursue contribution or a subrogation claim against the City, Airline shall be responsible to pay all cost of defending such claims, including actual attorney's fees of counsel ofthe City's choosing, subject to Section 7.1.7.

g) Airline insurance Primary- Airline expressly understands and agrees that any insurance maintained by the City shall apply in excess of and not contribute with insurance provided by Airline under this Letter of Authorization. All insurance policies required of Airline under this Letter of Authorization shall be endorsed to state that Airline's insurance policy is primary and not contributory with any insurance carried by the City.

h) Insurance Limits maintained by Airline. If Airline maintains higher limits than the minimum required herein, the City requires and shall be entitled to coverage for the higher limits maintained by Airline. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City, as their interest may appear.

(i) Joint Venture or Limited Liability Company. If Airline is a joint

venture or limited liability company, the insurance policies must name the joint venture or

limited liability company as a named insured.

(j) Other Insurance obtained by Airline. If Airline desires additional coverages, Airline shall be responsible for the acquisition and cost.

(k) Self-Insurance of Airline. Airline may not self-insure any portion of any limit of primary coverage required hereunder unless specifically permitted under this Section 7.1. It is understood that in any instance in which Airline is permitted to and chooses to self-insure a portion of the limit of primary coverage required hereunder, Airline, as a self-insurer, has the same duties and obligations to the City (e.g. obligation to provide a defense for covered claims) and to the City's liability insurer(s) as a primary liability insurer has to excess insureds and excess insurers under a standard ISO policy form even though Airline's self-insurance is not on a standard ISO form.

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(1) City's Right to Modify. The City maintains the right, based on commercially reasonable standards, to modify, delete, alter or change the requirements set forth under this Section 7.2 with thirty (30) days prior written notice to Airline.

7.2.3 City's Insurance. The City shall maintain in force during the Term commercial general liability and property insurance relating to its ownership, maintenance, use and occupancy ofthe Airport as determined by the City and as required by the Bond Indenture and Applicable Laws.

Article 8

ENVIRONMENTAL MATTERS 8.1 Airline

Representations, Warranties, and Covenants

Airline represents, warrants, and covenants the following with respect to the use of the Airport pursuant to the Ordinance and this Letter of Authorization:

1 Airline has obtained and shall regularly maintain and timely update all applicable licenses, permits, registrations and other authorizations and approvals required under Environmental Laws, and shall provide any notices required under Environmental Laws, for conducting its operations at the Airport. Airline shall ensure that its Associated Parties obtain, maintain and update all applicable licenses, permits, registrations and other authorizations required by Environmental Law pertaining to its and their use of and operations at the Airport.

2 Airline shall comply and shall ensure that its Associated Parties comply, with all applicable Environmental Laws pertaining to its and their use of and operations at the Airport.

3 Airline shall not conduct its operations in such a manner so as to cause, unlawfully allow or contribute to, and shall ensure that its Associated Parties do not cause, unlawfully allow or contribute to:

a) any Release, Discharge or Disposal of any Hazardous Substance or Other Regulated Material at the Airport, unless authorized by an Environmental Law;

b) any violation of any applicable Environmental Law as a result, in whole or in

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part, of the use by or operations of Airline or its Associated Parties at the Airport;

c) any Release, Discharge or Disposal in violation of any applicable Environmental Law which is a contributing cause ofthe City exceeding any terms, conditions or effluent limits of any NPDES permit or individual storm water discharge permit issued to the City, Multi-Sector General Permit, Municipal Separate Storm Sewer System permit, or any applicable federal or State of Illinois effluent limitation guideline, or standard ofthe MWRD;

d) any Release, Discharge or Disposal to soil or Waters at, underlying, or ad jacent to the Airport in violation of any applicable Environmental Law; or

e) any emissions to the air in violation of any applicable Environmental Law that results in an exceedance of an applicable emission standard at the Airport or of any terms or conditions of any of Airline's air permits.

4 Airline shall, and shall ensure that its Associated Parties, handle, use, store, Dispose of. transport, or otherwise manage any Hazardous Substance or Other Regulated Material at the Airport in a lawful manner. Without limiting the foregoing, Airline shall not conduct and shall ensure that its Associated Parties do not conduct any operations or activities involving the use or application of ethylene glycol, propylene glycol, or any other substance in

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de-icing or anti-icing at any location at the Airport except in accordance with all applicable Environmental Laws and in compliance with any de-icing policies and practices as may be adopted by the City in consultation with Airline.

5 Airline shall be, and shall ensure that its Associated Parties are, responsible for the proper transportation and Disposal of all Hazardous Substances or Other Regulated Material generated by Airline or its Associated Parties, or resulting from Airline's use, activities, and operations, at the Airport, including those activities and operations conducted by its Associated Parties. In such cases, in the event a signature as "Generator" is required on waste manifests, waste profile sheets or generator's certifications of non -special waste, Airline shall ensure that either Airline or its appropriate Associated Party(ies) signs such documents. Airline shall be responsible for the proper removal, transportation, and Disposal of Hazardous Substances or Other Regulated Material confiscated by the Transportation Security Agency ("TSA") or the City, but only with respect to such Hazardous Substances or Other Regulated Material obtained from Airline's passengers' checked baggage.

6 Airline shall be, and shall ensure that its Associated Parties are, responsible for the maintenance of any structural controls (above-ground or below-ground), as defined below, used to treat sanitary sewer waste and storm water runoff operated by Airline or its Associated Parties on Airline's Assigned Space. Maintenance frequencies for any such structural controls shall be established by Airline in a reasonable manner in accordance with industry standards and applicable Environmental Law to ensure effective operation of such controls and to prevent failures of such controls that could result in the Discharge, Release or Disposal of pollutants in violation of any applicable Environmental Law. Airline shall ensure that environmental records required to be kept by applicable law, including the O'Hare SWPPP, are maintained on-site for a period of three (3) years, unless a different document retention requirement is provided by applicable law. Structural controls to be maintained shall include, but not be limited to: oil/water separators (both storm and sanitary sewer), grease traps, sand traps, diversion valves, shut-off valves, storm sewer drain filters, trench drains, catch basins,

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rain gardens, and retention/holding ponds and any other structural controls specifically listed in this Letter of Authorization as the maintenance responsibility of Airline. Airline shall remove and properly Dispose of any Waste in said designated structural controls maintained by Airline prior to vacating its Assigned Space. The structural controls, if any, for which Airline is responsible for maintaining as of the date of this Letter of Authorization shall be listed therein or in an attachment thereto. For the avoidance of doubt, if Airline does not operate any structure controls on its Assigned Space, such list is not required.

7 Airline shall be, and shall ensure that its Associated Parties are, responsible for the maintenance of any air pollution control equipment required by any applicable Environmental Law operated by Airline or its Associated Parties on Airline's Assigned Space. Maintenance frequencies for any such air pollution control equipment shall be established by Airline in a reasonable manner in accordance with industry standards, the provisions of applicable air permits, and applicable Environmental Law to ensure effective operation of such equipment and to prevent failures of such equipment that could result in the emission of pollutants in violation of any applicable Environmental Law. Airline shall ensure that environmental records required to be kept by applicable law are maintained on-site for a period of three (3) years, unless a different document retention requirement is provided by

applicable law. The air pollution control equipment units to be maintained shall include, but are not limited to: scrubbers, filters, adsorbers, condensers, precipitators, and other equipment, in each case to the extent such equipment is specifically listed in this Letter of Authorization as the maintenance responsibility of Airline. Airline shall remove and properly Dispose of any Waste in said designated air pollution control equipment operated by Airline prior to vacating its Assigned Space. The air pollution control equipment, if any, for which Airline is responsible shall be listed in this Letter of Authorization or an attachment thereto. For the avoidance of doubt, if Airline does not operate any air pollution control equipment on its Assigned Space, such list is not required.

8 If Airline or its Associated Parties cause, unlawfully allow or contribute to a Release, Discharge, or Disposal of a Hazardous Substance or Other Regulated Material at the Airport in violation of any applicable Environmental Law that is above any applicable reportable quantity, emission standard or effluent guideline set forth in any applicable Environmental Law including the O'Hare Spill Response Guide, Airline shall report such Release, Discharge or Disposal to the appropriate governmental authorities in compliance with applicable Environmental Law, including the O'Hare Spill Response Guide. Airline shall ensure that its Associated Parties report any Release or Discharge in violation of any applicable Environmental Law to the appropriate governmental authorities, in compliance with applicable Environmental Law, if the operations of said third party cause, unlawfully allow or contribute to a Discharge or Release of a Hazardous Substance or Other Regulated Material in violation of any applicable Environmental Law that is above any reportable quantity set forth in any applicable Environmental Law.

9 Airline acknowledges that the City is subject to certain NPDES permits, state and federal storm water regulations, federal and state effluent limitation guidelines, and MWRD standards for operations at the Airport. Airline shall conduct operations and activities at the Airport, including but not limited to de-icing, anti-icing, and construction, and shall ensure that its Associated Parties conduct operations and activities at the Airport in compliance with applicable Environmental Laws. Airline acknowledges that its reasonable cooperation is necessary to ensure Airport's compliance with any applicable NPDES storm water permits and effluent limitation guidelines under Environmental Laws. Airline shall minimize the exposure to storm water of materials generated, stored, handled, or used by Airline or its Associated Parties at the Airport

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including Hazardous Substances or Other Regulated Material, by implementing and requiring implementation of certain written "Best Management Practices" as defined by and required under Environmental Laws, and shall make them available to the City upon request. Airline further acknowledges that any effluent limitation guidelines in any NPDES storm water discharge permit issued to the City and timely provided to Airline applicable to Airline are incorporated by reference into this Letter of Authorization to the extent affecting Airline's operations at or use of the Airport or operations or activities conducted on its behalf at the Airport, or necessitating Airline's reasonable cooperation to assure the City's compliance therewith. The City shall provide advance notice to Airline of and a reasonable opportunity to comment oh, and shall otherwise endeavor to negotiate reasonable and cost effective terms and conditions of, any permits issued to the City which may affect Airline's operations at or use of the Airport or operations or activities conducted on its behalf at the Airport, or which may necessitate Airline's reasonable cooperation to assure the City's compliance therewith.

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10 Airline or its Associated Parties shall cooperate with the City, as requested from time to time by the City, to ensure that Airline's operations at or use of the Airport will not unreasonably interfere with the City's implementation of its Chicago O'Hare International Airport Wildlife Hazard Management Plan to reduce wildlife hazards at the Airport.

11 Airline, prior to vacating or surrendering any portion of its Assigned Space for any reason, shall:

a) remove and Dispose of any and all trash, debris, or Waste generated by Airline or its Associated Parties;

b) remove any and all above-ground containers and non-permanent structural controls owned by Airline or its Associated Parties, including, but not limited to, removable filters, grates and above-ground tanks located on Airline's Assigned Space, unless Airline and the City agree otherwise; and

c) comply with applicable Environmental Laws regarding the closing or removal from service of any underground or aboveground tanks, vessels, and containers operated or owned by Airline or its Associated Parties and located on Airline's Assigned Space, provided, however, that Airline shall have no such obligation with respect to any airport hydrant fuel system maintained by an airport fueling consortium.

12 Airline understands and acknowledges that certain of its and the City's future capital projects at the Airport may require review or approval by the FAA, the United States Environmental Protection Agency ("USEPA"), or the Illinois Environmental Protection Agency ("IEPA"), pursuant to requirements imposed upon the Airport or the City. If requested by the City, Airline shall reasonably cooperate with the City in its preparation of such submittals as are required ofthe City by FAA, USEPA, or IEPA, or their successor agencies, in connection with Airline's future capital projects or in connection with the City capital projects at the Airport which benefit Airline.

8.2 Right of Entry to Perform Environmental Inspections and Sampling

8.2.1 The City and its contractors and other agents shall have the full right to enter any part of Airline's Assigned Space, at all reasonable times and in the City's sole discretion, for the purpose of conducting an inspection, assessment, investigation, regular inspection, or regulatory compliance audit of Airline's operations thereon, or any other party's use and operations, including operations of Airline's Associated Parties.

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The City and its authorized agents may take samples and perform tests as needed, including but not limited to soil borings, ground water monitoring, and collection of samples of air, soil, water, groundwater, Hazardous Substances or Other Regulated Material Releases, and Discharges, at the City's expense. The City will provide seventy-two (72) hours" advance written notice of any planned City inspection or intrusive City sampling to Airline, except in emergencies, when advance notice shall not be required. Airline shall have the right to accompany the City when any such inspection or sampling is performed, provided that the City is not required to unreasonably delay its inspection or sampling to enable Airline to be present. Airline shall have the right to obtain,

at Airline's expense, split samples and City shall promptly provide copies of all analytical results of such sampling, including any non-privileged reports.

8.2.2 Airline shall cooperate, and shall ensure that its Associated Parties cooperate, in allowing prompt, reasonable access to the City to conduct such inspection, assessment, audit, sampling, or tests. In the exercise of its rights under this Section, the City shall not unreasonably interfere with the authorized use and occupancy of Airline's Assigned Space by Airline or Airline's Associated Parties. Airline remains solely responsible for its environmental, health, and safety compliance, notwithstanding any City inspection, audit, or assessment.

8.3 Information to be Provided to the City

1 If Airline receives any written notice, citation, order, warning, complaint, claim or demand regarding Airline's use of, or operations at, Airline's Assigned Space or other property at the Airport used by Airline pursuant to the Ordinance or its Letter of Authorization that is not legally privileged, made confidential by applicable law, or protected as trade secrets:

a) concerning any alleged Release, Discharge or Disposal of a Hazardous Substance or Other Regulated Material by Airline or by its Associated Parties; or

b) alleging that Airline or any of its Associated Parties is the subject of an Environmental Claim or alleging that Airline or any Associated Party is, or may be, in violation of any Environmental Laws; or

c) asserting that Airline or any such third party as identified in subsection (i) and (ii) above is liable for the cost of investigation or remediation of a Release or Discharge;

Airline shall promptly, but not later than five (5) business days after Airline's receipt, inform the City in writing of same, including a copy of such notice received by Airline.

2 Airline shall simultaneously provide to the City copies of its submittals of any non-privileged reports or notices required under Environmental Laws to any governmental agency regarding:

a) Airline's or its Associated Parties' alleged failure to comply with any Environmental Laws at Airline's Assigned Space or other property at the Airport used by Airline pursuant to the Ordinance or this Letter of Authorization, or

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b) any Release or Discharge arising out of the past or present operations at or use of Airline's Assigned Space or other property at the Airport used by Airline or its Associated Parties pursuant to the Ordinance or this Letter of Authorization.

8.3.3 In connection with any matter arising under Section 8.3.1 above, Airline

^ shall make available, within ten (10) business days of Airline's receipt ofthe City's written request, subject to document retention requirements provided by applicable law, the non-privileged documents that Airline has submitted to any governmental agency pertaining to the

environmental compliance status of Airline's operations at or use of Airline's Assigned Space or other property at Airport used pursuant to the Ordinance or this Letter of Authorization by Airline, including without limitation any and all non-privileged records, permits, permit applications, test results, sample results, written or electronic documentation, studies, or other documentation regarding environmental conditions or relating to the presence, use, storage, control, Disposal, or treatment of any Hazardous Substance or Other Regulated Material by Airline or its Associated Parties at Airline's Assigned Space or other property at the Airport used by Airline pursuant to the Ordinance or this Letter of Authorization.

8.4 Airline's Environmental Response and Compliance Obligations

8.4.1 Without limiting the indemnity obligations of Section 8.7, if, during the term of this Letter of Authorization. Airline or any of its Associated Parties causes, unlawfully allows or contributes to a Release, Discharge, or Disposal of a Hazardous Substance or Other Regulated Material (including, but not limited to those which contaminate or pollute any air, soil, Waters, storm sewer, detention basin, other storm water infrastructure, or conveyance system) in violation of any applicable Environmental Law that is above any applicable reportable quantity, emission standard or effluent guideline set forth in an applicable Environmental Law including the O'Hare Spill Response Guide, at any portion ofthe Airport or adjacent Waters, in connection with their operations at Airline's Assigned Space or at other property at the Airport used by Airline pursuant to the Ordinance or this Letter of Authorization, Airline shall perform or shall cause to be performed, consistent with the provisions of Section 8.5, the following:

a) notify the O'Hare Communications Center ("OCC") of such Release, Discharge, or Disposal as required by and in accordance with the O'Hare Spill Response Guide and applicable Environmental Laws;

b) report such Release, Discharge, or Disposal to appropriate governmental agencies as required by and in accordance with applicable Environmental Laws;

c) promptly Respond to the Release, Discharge, or Disposal of a Hazardous Substance or Other Regulated Material, as required by applicable Environmental Laws;

d) promptly take all further actions required under Environmental Laws to abate any threat to human health or the environment;

e) promptly undertake any further removals, remediation, or corrective actions as are required by Environmental Laws or a governmental agency exercising its authorized regulatory jurisdiction

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under Environmental Laws, to remedy any such Release, Discharge or Disposal of a Hazardous Substance or Other Regulated Material, and any resulting impacts; and

f) promptly obtain documentation of the approval of the closure of such Release, Discharge, or Disposal from the governmental agency(ies) with regulatory jurisdiction as such may be issued under Environmental Laws, and provide such documentation to the City.

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2 Any remedial or other activity undertaken by Airline under this Article shall not be construed to impair Airline's rights, if any, to seek contribution or indemnity from any person, consistent with the terms and limitations of this Letter of Authorization, including Section 8.7, below.

3 Airline shall not be responsible under this Section 8.4 for Discharge, Release, or Disposal to the extent caused by another Air Carrier that the City has compelled Airline to accommodate at its Assigned Space.

5 **Investigation, Remediation, or Corrective Action Process**

Before commencing any subsurface soil, surface water, stormwater, or groundwater investigations, removals, remediation, or corrective actions that Airline or Airline's Associated Parties are required to perform at the Airport under this Letter of Authorization, including any such actions mandated in Section 8.4. and except for immediate removal actions required by Environmental Laws and otherwise undertaken pursuant to Section 8.4, Airline shall promptly provide any proposed plans for such investigations, removals, remediation, or corrective actions to the City for approval in accordance with applicable Environmental Laws, which shall not be unreasonably withheld or conditioned. The work shall be performed in a diligent manner consistent with the time(s) prescribed by Environmental Laws and relevant governmental authorities and at Airline's expense, and the City shall have the right to review and inspect all such work at any time using consultants and representatives ofthe City's choice, at the City's expense. Specific cleanup levels for any environmental removals, remediation or corrective actions shall comply with applicable Environmental Laws, with commercial and industrial remediation standards being applied to such actions consistent with the use of the Airport for such purposes. Airline may also utilize institutional controls and other engineered barriers as part of any removals, remediation or corrective actions to the extent authorized by Environmental Laws and approved by the City in writing, which shall not be unreasonably withheld. In the event deed recordation by the City is necessary for the utilization of commercial and industrial remediation standards or other controls as part of any removals, remediation or corrective actions or any other costs and expenses are incurred in connection with the use of such standards or controls Airline shall reimburse the City for all deed recordation fees and reasonable attorneys' fees incurred in connection with such recordation. Airline shall, at Airline's own cost and expense, have all tests performed, and reports and studies prepared, and shall provide such information to any governmental agency as may be required by applicable Environmental Laws, with a copy simultaneously provided to the City. This obligation includes but is not limited to any requirements for a site characterization, site assessment, remediation objectives report, remedial action plan, and remedial action completion report that may be necessary to comply with applicable Environmental Laws.

6 **The City's Rights to Ensure Airline's Compliance with Environmental Response and Compliance Obligations**

8.6.1 If Airline, Airline's Associated Parties or their Associated Parties:

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(a) do not take appropriate Response actions required by applicable Environmental Laws in response to a Release. Discharge or Disposal for which it is responsible

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under Section 8.4, within the time(s) prescribed by such Environmental Law(s) and relevant governmental authorities; or

(b) do not perform or complete reporting, notifications, investigations, removals, remediation, corrective actions, or closure actions for which it is required under Section 8.4 within the time(s) prescribed by applicable Environmental Laws and ; relevant governmental authorities, or within the time reasonably necessary to enable the City to meet its obligations under Environmental Laws (subject to the condition that, in the case of both Sections 8.6.1(a) and 8.6.1(b) above, the City must first provide reasonable advance written notice to Airline of Airline's failure to comply with such obligations and a reasonable opportunity for Airline to cure such failure to comply by Airline initiating or recommencing any such actions consistent with required schedules (including exercising its legal right to reasonably and in good faith challenge such alleged obligation to comply), but in any event not to exceed forty-five (45) days, except in emergency circumstances in which such advance notice is not possible), then the City or its authorized contractor, in addition to its rights and remedies described elsewhere in the Ordinance and this Letter of Authorization and otherwise available at law, in equity, or otherwise, may, at its election, upon reasonable notice, enter the affected area, and take whatever action the City reasonably deems necessary to meet Airline's obligations under Environmental Laws, within the time required under such Environmental Laws, consistent with the requirements of Section 8.4. In addition to notice and opportunity to cure as set forth in Section 8.6.1 (b) above, the City shall provide Airline with its plan to perform such work for Airline's review and comment at least seven (7) business days before the commencement of such work, which comments shall be reasonably considered by the City, except in emergency circumstances where such advance notice is not possible. Such action taken by the City consistent with the requirements of this Letter of Authorization shall be at Airline's expense, plus administrative expenses of the greater of five hundred dollars ($500.00) or 25% of all costs incurred by the City, including but not limited to reasonable attorneys' and consultants' fees and expenses, monetary fines and penalties, litigation costs or costs incurred in anticipation of litigation, expert witness fees, and expenses of investigation, removal, remediation, or other required plan, report, or Response action performed in accordance with applicable Environmental Laws.

8.6.2 Except as set forth in Section 8.6.3, below, if the City cannot identify with commercially reasonable effort any ofthe parties causing, unlawfully allowing, contributing to or responsible for a Release, Discharge, or Disposal at or from the Airport requiring the completion of appropriate Response actions as provided in Section 8.4.1, then City shall provide reasonable advance written notice to Airline of its intention to take actions, to the extent of Airline's obligations for such actions as provided in Section 8.4.1, to report, repair, contain, investigate, remove, correct or remediate such Release, Discharge, or Disposal consistent with the requirements of Section 8.4. Airline shall thereafter be afforded a reasonable opportunity (not to exceed forty-five (45) days) to commence such actions or provide the City with information on the identity ofthe party or parties causing, contributing to, or responsible for such Release. Discharge, or Disposal, which information shall be considered in good faith by the City and, as appropriate, shall provide a basis for the City's pursuit of any responsible parties consistent with the provisions of Section 8.6.1. In addition to the above written notice, the City shall provide Airline with its plan to perform such actions for Airline's review and comment at least seven (7) business days before the commencement of any work (except in emergency circumstances in which such advance notice is not possible), which comments shall be

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reasonably considered by the City, after which the costs of such actions, if implemented by the City, shall be allocated to the appropriate cost centers.

3 In the event a Release or Discharge, or Disposal in violation of Environmental Law which occurred prior to May 12, 2018 or the effective date of Airline's first Letter of Authorization entered into pursuant to the Ordinance, if after May 12, 2018, is encountered on any portion of Airline's Preferential Use Space that Airline also leased as the equivalent of Exclusive or Preferential Use Space under its Prior Use and Lease Agreement, Airline shall be deemed to be responsible for all costs incurred in connection with such contamination, including investigation, removal, remediation, or other required plan, report, or Response action, unless Airline provides clear evidence demonstrating that another party is fully responsible. This presumption shall not apply to any portion of Airline's Preferential Use Space not previously leased by Airline under its Prior Use and Lease Agreement.

4 Nothing in this Section is intended or shall be construed so as to prevent the City or Airline from exercising, in their reasonable discretion, any rights granted or available elsewhere in this Article, in this Letter of Authorization, or by law.

8.7 Environmental Indemnification and Reimbursement

1 Notwithstanding any other provision to the contrary, Airline shall indemnify, defend, and hold harmless the City, its past and present elected and appointed officials, officers, agents and employees ("Environmental Indemnitees"), from and against any and all Environmental Claims resulting from:

a) the breach by Airline of any representation or warranty made in this Article; or

b) the failure of Airline to meet its obligations under this Article, whether caused or unlawfully allowed by Airline or any third party under Airline's direction or control; or

c) documented loss by any Environmental Indemnitee(s) from any Environmental Claim, to the extent caused, unlawfully allowed or contributed to by the unauthorized Release, Discharge, or Disposal of a Hazardous Substance or Other Regulated Material by Airline or by its Associated Parties or the failure of Airline or any Associated Party to comply with applicable Environmental Laws in connection with the operations of Airline or its Associated Parties at Airline's Assigned Space or at other property at the Airport used by Airline pursuant to the Ordinance or this Letter of Authorization;

2 Notwithstanding the provisions of this Section 8.7, in the event that the City and Airline mutually agree or a court of competent jurisdiction determines by a final order that an Environmental Indemnitee's negligence or willful and wanton misconduct is at least fifty-one (51%) of the total fault which proximately caused the Environmental Claims, Airline's obligation to indemnify the Environmental Indemnitee for amounts to be paid in connection with the Environmental Claims shall be limited to the amount attributable to Airline's and its Associated Parties' proportionate share of the total fault which proximately caused the Environmental Claims. Airline acknowledges, however, that this Section 8.7.2 is not intended to

obviate or lessen in any way Airline's duty to defend the Environmental Indemnitees; provided, however, that to the extent the City and Airline mutually agree or a court of competent jurisdiction rules that the Environmental Claims were the result of the sole negligent act or omission or the willful and wanton misconduct of an Environmental Indemnitee, the City shall reimburse Airline for its proportionate share of the costs of defense, including, but not limited to, attorneys' fees and court costs. For the avoidance of doubt, the City shall reimburse Airline for all defense costs Airline incurred with respect to defending the City Indemnified Parties against Claims to the extent that the City and Airline mutually agree or a court of competent jurisdiction rules that such Claims were the result ofthe sole negligent act or omission of a City Indemnified Party.

3 The City will provide Airline with prompt notice of any Environmental Claims to allow Airline the opportunity to properly and effectively respond to or otherwise defend such Environmental Claims. Airline shall, at its own cost and expense, defend all Environmental Claims whether frivolous or not. In the event the City undertakes any action, including but not limited to investigations, removals, remediation, or corrective actions with respect to any Environmental Claims in response to the failure of Airline to defend such Environmental Claims as Airline deems appropriate in its reasonable judgment, Airline shall reimburse the City, upon written demand by the City, for all reasonable and documented costs that the City incurs in association with such action, including but not limited to consultants' fees, contractors' fees, reasonable attorneys' fees and expenses of investigation, removal, Response, remediation, or corrective action.

4 Except to the extent set forth in Section 8.7.2, above, Airline waives the right of contribution and subrogation against the Environmental Indemnitees in connection with Environmental Claims set forth in Section 8.7.1 and 8.7.3, above.

5 Any claims for environmental matters shall be subject to this Section 8.7 and shall not be subject to the General Indemnity provision of Section 7.1.

8.8 Limitations

Except pursuant to Sections 8.6.2 and 8.6.3. Airline's obligations under this Article shall not apply to: (a) any Release, Discharge or Disposal, or Hazardous Substances or Other Regulated Materials that existed at the Airport prior to Airline's or its corporate predecessor(s)'s initial occupancy or operations at such area(s) of Release, Discharge or Disposal, or Hazardous Substances or Other Regulated Materials at the Airport, provided that neither Airline or its corporate predecessor(s) nor any other party under Airline's or its corporate predecessor(s)'s direction or control, or conducting operations or activities on its or their behalf caused, unlawfully allowed or contributed to such Release, Discharge or Disposal, or Hazardous Substances or Other Regulated Materials, or caused, unlawfully allowed or contributed to a subsequent Release, Discharge or Disposal of such pre-existing Hazardous Substances or Other Regulated Materials; or (b) Releases. Discharges, or Disposal that migrate onto, into, or from Airline's Assigned Space or the Airport and that were not caused, unlawfully allowed or contributed to by Airline or its corporate predecessor(s) or third parties under Airline's or its corporate predecessor(s)'s direction or control or conducting operations or activities on its or their behalf; or (c) Releases, Discharges, or Disposal on, at, or from the Airport not caused,

unlawfully allowed or contributed to by Airline or its corporate predecessor(s) or by its or their Associated Parties, or any other party under Airline's or its corporate predecessor(s)'s direction or control.

9 **Baseline Environmental Site Inspection**

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Prior to Airline's initial occupancy of, use of, or operations at Airline's Assigned Space under the Ordinance or this Letter of Authorization, the City shall have the opportunity to perform, at its own expense, a physical walk-through of Airline's Assigned Space regarding the environmental condition of Airline's Assigned Space and their state of compliance with Environmental Laws and produce an Initial Walk-Through report. The City shall provide Airline with an opportunity to participate in the walk-through and review and comment upon the conclusions and findings of the Initial Walk-Through report. In the event pre-existing environmental conditions are encountered, the provisions of Section 8.4 shall apply, except that the provision in Section 8.4.1 limiting Airline's obligations to incidents during the term of this Letter of Authorization shall not apply.

10 **Concluding Environmental Site Inspection**

At least sixty (60) days prior to vacating or surrendering Airline's Assigned Space or any portion of them for any reason, Airline shall provide the City with access to perform a Concluding Walk-Through in order to determine the environmental condition of Airline's Assigned Space or that part of Airline's Assigned Space being vacated, and their state of compliance with the requirements of Section 8.1.11. The City shall provide Airline with an opportunity to participate in the walk-through. If the Concluding Walk-Through reveals that Airline has not removed all trash, containers, tanks, structures, debris, residue, and other items, materials and Waste for which Airline or anyone operating on its behalf is responsible as required by Section 8.1.11, or has otherwise failed to comply with the requirements of Section 8.1.11, the City will share its Concluding Walk-Through report and any relevant photographs with Airline. Airline will remove or correct any items to the extent not in compliance with the requirements of Section 8.1.11 within five (5) business days of receipt of said report and photographs or such longer period of time as reasonably requested by Airline to perform the corrective actions. Airline shall leave facilities and equipment being surrendered or vacated by Airline in a state of good repair. However, tanks, structures and other items and materials owned by Airline may revert to the City upon agreement of Airline with the City accepting such tanks, structures and other items and materials in an "as is, where is" condition.

11 **Airline's Hazardous Substance-Related Equipment and Fixtures**

Any fixed tanks, pumps, chemical or Hazardous Substance or Other Regulated Material containers, pipelines, lines, and equipment or other such fixtures installed by or on behalf of Airline shall at all times remain the property of Airline, and ownership of or responsibility for such equipment shall not pass to the City by virtue of such equipment being installed at Airline's Assigned Space, except pursuant to the agreement ofthe City and Airline. No such equipment shall be installed without the written consent of the City. The list of structural controls in Section 8.1.6 and/or air pollution control equipment in Section 8.1.7 above, if applicable, shall be amended by agreement ofthe parties to refect such installation.

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8.12 Waiver

Any waiver of any provision of this Article, or any delay by the City in the enforcement of any right hereunder, shall neither be construed as a waiver, nor create an expectation of non-enforcement of that or any other provision or right. In order to be effective, any waiver of any right, benefit, or power hereunder must be in writing and signed by an authorized representative of the City, it being intended that no waiver shall be implied by the City's conduct or failure to act. Any specific written waiver shall be applicable only to the particular facts and circumstances thereby addressed and shall not be of any effect with respect to future events, even if any of

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said future events involve substantially similar circumstances. Any remedies provided for in this Article shall be cumulative and in addition to, and not in lieu of, any other remedies available to the City elsewhere in this Letter of Authorization, at law, in equity, or otherwise.

8.13 Notice for Environmental Matters

With respect to those provisions of this Article 8 which expressly require the City to provide written notice to Airline, electronic mail to the designated Airline representative will satisfy such requirement. Airline shall provide the City with the contact and address for environmental notices in the general Notices section of this Letter of Authorization.

Article 9

COMPLIANCE WITH LAWS AND RULES

1 Airport Rules

Airline shall comply, and, to the maximum extent Airline has legal power to do so, shall cause its

agents, employees, guests, invitees and Contractors to comply, with all Airport Rules.

2 **Observance and Compliance with Laws**

1 Airline shall comply, and, to the maximum extent Airline has the legal power to do so, shall cause its agents, employees, Contractors and licensees to, observe and comply with, and pay all taxes and obtain all licenses, permits, certificates and other authorizations required by, all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, including all rules, regulations and directives of the Federal Aviation Administration or any successor agency thereto. Airline agrees to make a part of and incorporate into this Letter of Authorization, by reference or by setting forth at length, at the option of the City, any and all statutes, rules and regulations and any assurances and covenants required pursuant thereto which may now or hereafter may be required by the Federal Aviation Administration or any successor agency thereto, or other federal, state, county or municipal agency. To the extent applicable, Airline shall comply with the provisions of Exhibits D, "Compliance With Laws," and A, "Requirements for Reimbursable Projects." Exhibits A and D may be amended by the Commissioner pursuant to his or her authority under the Ordinance.

2 Airline shall operate and maintain its Assigned Space in a reasonably prudent manner and in accordance with the laws, rules, regulations and orders of any federal, state, county or municipal agency having jurisdiction with respect thereto.

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

3 **Subordination to Sponsor's Federal Assurances**

This Letter of Authorization shall be subordinate and subject to the terms of any "Sponsor's Grant Assurances"' or like agreement that has been or may be furnished by the City to the United States of America, its boards, commissions, or agencies, including without limitation the FAA, or that is required by Applicable Laws, as a condition precedent to receiving Federal financial assistance for development ofthe Airport and other Airport programs and activities.

4 **Agreements with the United States**

This Letter of Authorization is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the City and the United States, the terms and execution of which have been or may be required to enable or permit the transfer of rights or

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property to the City for airport purposes, or the expenditure of federal grant funds for Airport improvement, maintenance or development. Airline shall reasonably abide by the requirements of agreements entered into between the City and the United States, as applicable to Airline, and shall consent to amendments and modifications of its Letter of Authorization if required by such agreements or if required as a condition of the City's entry into such agreements.

9.5 PFC Act and Assurances.

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1 Notwithstanding anything to the contrary in this Letter of Authorization, no provision of this Letter of Authorization shall impair the authority of City to impose a Passenger Facility Charge or to use the Passenger Facility Charge revenue as provided in the Aviation Safety and Capacity Expansion Act of 1990, 49 U.S.C. § 40117 (the "PFC Act").

2 Airline acknowledges that City has given to the United States of America, acting by and through the FAA, certain assurances set forth in the PFC Act and implementing regulations at 14 C.F.R. Part 158 ("PFC Assurances"), and Airline agrees that its Letter of Authorization shall be subordinate and subject to the PFC Assurances.

3 In the event that the FAA or its successors require any modifications or changes in this Letter of Authorization as a condition precedent to the collection of PFCs or otherwise complying with the PFC Act. Airline shall not withhold its consent to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Letter of Authorization as may reasonably be required to collect PFCs or comply with the PFC Act. City agrees to provide Airline with advance written notice of any provisions that would adversely modify material terms of this Letter of Authorization.

9.6 PFCs to be held in Trust for the City.

1 Airline shall hold the net principal amount of all PFCs that are collected by Airline or its agents on behalf of the City pursuant to 49 U.S.C. App. § 1513 and the rules and regulations thereunder (14 C.F.R. Part 158, herein, the "PFC Regulations") in trust for the City. For purposes of this Section 9.6, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the City, reduced by all amounts that Airline is permitted to retain pursuant to Section 158.53(a) ofthe PFC Regulations.

2 In the event that Airline fails to make payments of PFCs to the City in accordance with the PFC Regulations, the City may require Airline to establish a PFC trust account pursuant to this Section 9.6.2. In the event the City requires an Airline to establish a PFC trust account, and notwithstanding Section 158.49 ofthe PFC Regulations, upon receipt of PFCs that are collected by Airline or its agents on behalf of the City, Airline shall establish, and shall deposit the net principal amount of such PFCs in, an interest-bearing trust account for the City's benefit (the "Trust Account"). The Trust Account shall be held in the name of Airline as trustee for the City; provided that the City and Airline mutually agree to terms upon which amounts may be withdrawn from such account upon the joint direction of the City and Airline. If the City and Airline do not so agree, the Trust Account shall be held by an independent third party bank trustee, in which event such trustee's fees shall be payable by the City. The City shall have the right to select such trustee subject to the approval of Airline, which approval will not be

unreasonably withheld. The Trust Account shall be separate from and not commingled with all other Airline funds, including PFCs collected on behalf of other airports. In accordance with Section 158.51 ofthe PFC Regulations, any amounts required to be remitted to the City under such section shall be paid in any event by an Airline, as trustee, or by such third party bank trustee, to the City on or before the date specified in such section first out of the net principal amount, then, to the extent of any deficiency, by Airline, out of income earned thereon and then, by Airline, out of any available funds of Airline. Funds in the Trust Account shall be invested solely in instruments issued or guaranteed by the United States government or any of its agencies,

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commercial paper rated Al or PI or better by, respectively, Standard & Poor's Rating Services or Moody's Investors Service, Inc., or federally insured bank certificates of deposit. Any income earned on funds in the Trust Account on or prior to the date of required remittance to the City shall be the property of Airline and shall be paid directly to Airline. Any income earned on funds in the Trust Account after the date of required remittance to the City shall be the property of the City and shall be paid immediately to the City and applied to the interest income in the O'Hare Passenger Facility Charge Revenue Fund.

9.6.3 Upon the determination of a United States bankruptcy court in a final non-appealable order that a trust account is not required to establish the City's absolute right immediately to receive all PFCs collected for the City and held by Airline, Section 10.5.2 shall no longer apply.

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

9.7 Security and Payment of Fines for Violation of Federal Regulations

9.7.1 Airline acknowledges that security is of primary importance at the Airport and that security requirements are likely to change during the Term of this Letter of Authorization. Each Airline, its officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under its control, shall comply with security measures (a) required of Airline by the FAA or the TSA or by the City in accordance with applicable requirements of the FAA or the TSA or their authorized successor(s) or (b) contained in any Airport master security plan approved by the FAA or the TSA or their authorized successor(s). Airline shall comply, at its own expense, with the TSA's security requirements applicable to Airline at the Airport including, but not limited to employee security training, badging, criminal background checks, access control, screening and inspections. Airline shall cooperate with the TSA on all security matters.

2 Compliance with such security measures and requirements shall not relieve Airline of its responsibility for maintaining proper security for the above-noted items, nor shall it be construed as limiting in any manner Airline's obligations with respect to all applicable federal laws and regulations and its duty to undertake reasonable action to establish and maintain secure conditions at and around Airline's Assigned Space. To comply with TSA requirements, Airline shall execute a reasonable Exclusive Area Agreement with the City, if required, in form and substance which is reasonably acceptable to the City and Airline. Airline accepts security responsibility to use best efforts to prevent unauthorized access to Airline's Assigned Space. Airline shall be responsible for preventing unauthorized persons from gaining access to the restricted areas of the Airport through Airline's Assigned Space during times and to the extent that Airline has control of the Assigned Space.

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3 Airline understands and agrees that security requirements may affect Airline's air transportation business operations and costs. Airline shall be strictly liable for the payment of any fines assessed by the City or the payment of (or reimbursement of the City for any payments of) any civil penalties assessed against the City or Airline relating to security and resulting from the negligence or intentional acts of omission or commission of Airline's officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under its control, and Airline shall be solely and fully responsible for any and all breaches of security and the consequences thereof resulting from the negligence or intentional acts of omission or commission of its officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under its control.

4 Airline shall pay a reasonable cost-based user fee for the privilege of using identification cards or badges to gain access to the Airport security access control system.

8 **No Exclusive Rights**

Nothing contained in this Letter of Authorization shall be deemed to grant to Airline any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) with respect to activity at the Airport, except that, subject to the terms and provisions of this Letter of Authorization, Airline shall have the right to exclusive possession of any Exclusive Use Assigned Space made available to Airline under its Letter of Authorization.

9 **Federal Tax and Securities Laws**

1 Airline, upon the City's request, shall provide to the City such information and certifications as the City may require to maintain the tax-exempt status of the interest on Bonds.

2 Airline, upon the City's request, shall provide to the City such information as the City may request in writing in connection with the offering, sale and remarketing of Bonds to enable the City to comply with the requirements ofthe federal securities laws and to comply with the City's continuing disclosure requirements under SEC Rule 15c2-12, as it may be amended from time to time, provided, however, that Airline may, in lieu of

providing the requested information, direct the City to Airline or SEC website where the requested information is then currently available.

10 **Anti-Scofflaw**

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

11 **Ethics**

Airline hereby represents and warrants and shall cause each of its Contractors to represent and warrant

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that Airline or such Contractors, as the case may be, is not in violation of Chapter 2-156 ofthe Municipal Code.

12 **Inspector General**

Airline understands and will abide by the provisions of 2-56 of the Municipal Code. Airline acknowledges and agrees that it shall be the duty of Airline and its sub-licensees, Contractors and all their officers, directors, agents, partners and employees to cooperate with the Inspector General ofthe City in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. All contracts and other agreements must inform the parties of this provision and require understanding and compliance with it.

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

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

Municipal Code Section 2-156-080 defines a '"business relationship" as any contractual or other private business dealing of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a financial interest, with a person or entity which entitles an official to compensation or payment in the amount of $2,500 or more in a calendar year; provided, however, a financial interest shall not include: (a) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any

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corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (b) the authorized compensation paid to an official or employee for his office or employment; (c) any economic benefit provided equally to all residents of the city; (d) a time or demand deposit in a financial institution; or (e) an endowment or insurance policy or annuity contract purchased from an insurance company. A contractual or other private business dealing will not include any employment relationship of an officials spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

14 **City of Chicago Hiring Plan (Shakman Accord)**

The City is subject to the May 31. 2007 Order entitled "Agreed Settlement Order and Accord" and the June 16, 2014 "City of Chicago Hiring Plan" (the "2014 City Hiring Plan") entered in Shakman v. Democratic Organized ion of Cook County, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the Agreed Settlement Order and Accord and the 2014 City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

Airline is aware that City policy prohibits City employees from directing any individual to apply for a position with Airline, either as an employee or as a contractor, and from directing Airline to hire an individual as an employee or as a contractor. Accordingly, Airline must follow, its own hiring and contracting procedures, without being influenced by City employees.

15 **No Waste Disposal in Public Way, Municipal Code Section ll-4-16()0(E)**

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

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

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

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This Section 9.15 does not limit Airline's duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Letter of Authorization.

16 **Visual Artists Rights Act Waiver**

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

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

17 **Boarding and Deplaning Assistance To Passengers With Disabilities.**

Airline shall comply, at its own expense, with all applicable laws, rules, regulations and orders now in force or hereafter prescribed or promulgated by federal or state governments or authority relating to the boarding or deplaning of passengers with disabilities, including, but not limited to, 49 U.S.C. § 41705 and 14 C.F.R. § 382.

Article 10

DEFAULT AND TERMINATION 10.1 Events of

Default

Each of the following shall be an "Event of Default" under this Letter of Authorization, if:

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

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

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against Airline under any chapter of the Federal Bankruptcy Code.

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

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

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

6 Airline shall become a corporation in dissolution.

7 The letting, license or other interest of or rights of Airline hereunder shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm, corporation or other entity, by, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceedings or occurrence described in Section 10.1.1 through 10.1.5.

8 Airline shall fail to duly and punctually pay any Airport Fees and Charges required to be paid hereunder or shall fail to make payment of any other sum required to be paid to the City pursuant to the Ordinance on or prior to the date such payment is due and

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shall continue to remain unpaid ten (10) business days after written notice has been provided to Airline by the City or, with respect to any amount for which no payment date is provided herein, then ten (10) business days after written notice ofthe amount of such payment has been given to Airline or an invoice for such payment has been submitted to Airline.

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

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

11 Airline shall discontinue its Air Transportation Business at the Airport, other than for

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

12 Airline shall cease using or abandon substantially all of its Assigned Space for a period of thirty (30) days, and which has not been remedied within 30 days after notice from City to Airline.

13 Airline shall make any purported Assignment without the consent of the City, as set forth in Section 2.2, or sublease its Assigned Space.

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

15 Airline shall fail to meet any of the security deposit requirements set forth in Section 6.4 ofthe Ordinance, as may be applicable.

16 Airline shall fail to transmit to the City PFCs on a timely basis in accordance with the PFC Regulations or shall fail to comply with the provisions of Sections 9.5 and 9.6 of these Terms and Conditions.

17 Airline shall violate the Waste Sections ofthe Municipal Code or MCC 2-156-018. "Duty to report corrupt or unlawful activity" as set forth in Article 9 and Exhibit D ("Compliance with Laws"); provided, however, that the Commissioner may provide for a reasonable cure period appropriate to the violation.

18 Airline shall fail to maintain insurance as required by these Terms and Conditions, including the cure period provided in Section 7.2.2(b).

10.2 Termination by the City

1 Whenever an Event of Default has occurred and is continuing, the City may, at its option upon thirty (30) days prior notice of such Event of Default:

a) terminate this Letter of Authorization and the lettings, licenses and other rights of Airline hereunder, without discharging any of Airline's obligations hereunder, including but not limited to Airport Fees and Charges, and, at the City's further option, exclude Airline from its Assigned Space;

b) without terminating this Letter of Authorization, exclude Airline from its Assigned Space and use commercially reasonable efforts to lease such Assigned Space to another airline for the account of Airline, holding Airline liable for all Airport Fees and Charges and other payments due under the

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Ordinance up to the effective date of such leasing and for the excess, if any. of Airport Fees and Charges and other amounts payable by Airline under the Ordinance for the remainder of the term of this Letter of Authorization over the rentals and other amounts which are paid by such new airline under such new agreement; or

c) without terminating this Letter of Authorization, request that Airline cease performing any work it may perform pursuant to Section 2.9.

2 In addition, the City may, from time to lime, take whatever action at law or in equity appears necessary or desirable to collect Airport Fees and Charges and any other amounts payable by Airline hereunder then due and thereafter to become due, and to enforce the performance and observance of any obligation, agreement or covenant of Airline under this Letter of Authorization. For the avoidance of doubt, the City may compel specific performance by Airline of any obligation pursuant to the Ordinance or this Letter of Authorization, perform said obligations itself or take other actions to mitigate losses that may result from Airline's failure to perform and, if the City takes such actions. City may charge Airline for the City's costs plus a 15% administrative fee.

3 All rights and remedies given to the City under the Ordinance and this Letter of Authorization and all rights and remedies given to the City by law, shall be cumulative and concurrent. No termination of this Letter of Authorization or the taking or recovering ofthe Assigned Space shall deprive the City of any ofthe City's remedies or actions against Airline for Airport Fees and Charges or for damages or for the breach of any covenant herein contained, nor shall the bringing of any action for Airport Fees and Charges or breach of covenant, or the resort to any other remedy herein provided for the recovery of Airport Fees and Charges be construed as a waiver ofthe right to obtain possession ofthe Assigned Space.

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4 In no event shall this Letter of Authorization or. any rights or privileges hereunder be an asset of Airline under any bankruptcy, insolvency or reorganization proceedings.

5 To the extent consistent with and permitted under the United States Bankruptcy Code or similar debtor relief laws, if Airline seeks protection under the United States Bankruptcy Code or similar debtor relief laws, or is currently operating under the protection of the United States Bankruptcy Code or other similar debtor relief laws, Airline will comply with every provision of the Ordinance and this Letter of Authorization as and when required under the Ordinance or this Letter of Authorization, including without limitation performing any required remediation relating to any environmental matter pursuant to Airlines' obligations under the Ordinance or this Letter of Authorization which arose prior to or arises during the course of Airline's bankruptcy case. No Air Carrier will be allowed to assume this Letter of Authorization without performing any required remediation as part ofthe cure of any Event of Default under this Letter of Authorization.

10.3 Change of Letter of Authorization Term

1 Upon the occurrence of an Event of Default described in Section 10.1.1, 10.1.10, 10.1.11, 10.1.12, 10.1.13, 10.1.14, 10.1.15, or 10.1.16, the City may notify Airline that the term of this Letter of Authorization shall convert to month-to-month, if it is not already month-to-month, commencing five (5) days after such notice and terminating upon thirty (30) days written notice from the City to Airline, or from Airline to the City.

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2 The conversion ofthe term of this Letter of Authorization pursuant to this Section 10.3 shall not discharge any of Airline's obligations hereunder nor affect any of the City's other remedies set forth herein.

4 **Pursuit of Remedies Against Defaulting Air Carriers**

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

5 **Agreement to Pay Attorneys' Fees and Expenses**

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

6 **Force Majeure**

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1 If either party shall be delayed or hindered in or prevented from the performance of any act required under this Letter of Authorization by reason of strikes, lockouts, labor disputes (all of which shall be subject to Section 11.14), inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, terrorism, war, fire or other casualty, or other reason of a similar nature beyond the reasonable control of the party delayed in performing work or doing acts required under this Letter of Authorization, performance of such act shall be excused for the period of the actual delay attributable to such causes, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay (any such delay is herein referred to as an "Unavoidable Delay"). This Section shall not be applicable to Airline's obligations to procure insurance or to pay Airport Fees and Charges, or any other sums, moneys, costs, charges or expenses required to be paid by Airline. If any provision of this Letter of Authorization negates or limits the period of any force majeure or Unavoidable Delay extension, such provision shall override this Section 10.6.1 Airline shall give the City notice of any Unavoidable Delay within a reasonable time (not to exceed one (1) year) following the occurrence ofthe delaying event.

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

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Article 11

GENERAL PROVISIONS

1 No Partnership or Agency

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

2 No Personal Liability

No member, director, officer, elected official or employee of cither party shall be charged personally or held contractually liable by or to the other party under any term or provision of this' Letter of Authorization or because of any breach thereof or because of its or their execution or attempted execution thereof.

3 [RESERVED]

4 Entire Agreement

This Letter of Authorization, and other exhibits and endorsements attached to the Letter of Authorization and these Terms and Conditions, constitutes the entire agreement of the parties on the subject

matter hereof. The parties intend that this Letter of Authorization shall be the final expression of their agreement with respect to its subject matter, and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Letter of Authorization shall constitute the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever (including prior drafts of this Letter of Authorization) may be introduced in any judicial, administrative or other legal proceeding involving this Letter of Authorization.

1 1.5 Amendment

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

6 **Applicable Law**

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

7 **Authorization to Operate; Consent to Service of Process and Jurisdiction**

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

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

8 **Severability**

If any provision of this Letter of Authorization 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

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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 whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Letter of Authorization shall not affect the remaining portions of this Letter of Authorization or any part hereof.

9 **Representatives**

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

10 **Successors and Assigns**

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

11 **No Third Party Beneficiaries**

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

12 **No Waiver**

No failure by City to insist upon the strict performance of any obligation of Airline under this Letter of Authorization or to exercise any right, power or remedy arising out of a breach thereof irrespective ofthe length of time for which such failure continues, prior to the expiration of the Term by the City, shall constitute a waiver of such breach or of the City's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Letter of Authorization.

No waiver of default of any of the terms, covenants and conditions of this Letter of Authorization to be performed, kept and observed by the other party shall be construed or operate as a waiver of any subsequent default of any ofthe terms, covenants or conditions of this Letter of Authorization to be performed, kept and observed by the other party.

13 **No Exclusive Right or Remedy**

All rights and remedies provided in this Letter of Authorization are cumulative and not exclusive of any other rights or remedies that may be available to the parties.

14 **Labor Disputes**

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Airline agrees to use reasonable efforts to avoid disruption to the City, its tenants, or members of the public arising from labor disputes involving Airline, and in the event of a strike, picketing, demonstration or other labor difficulty involving Airline, to use its good offices, including the utilization of available legal remedies, to minimize or eliminate any disruption to the City, its tenants or members ofthe public, arising from such strike, picketing, demonstration or other labor difficulty.

15 **Headings**

The headings ofthe several sections of this Letter of Authorization are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or intent of any provisions of this Letter of Authorization, and shall not be construed to affect in any manner the terms and provisions, or the interpretation or construction, of this Letter of Authorization.

16 **Counterparts**

This Letter of Authorization may be executed in one or more counterparts.

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EXHIBIT A to the TERMS AND CONDITIONS

REQUIREMENTS FOR REIMBURSABLE AIRLINE PROJECTS

For any reimbursable airline project ("Airline Project"), the City will provide Airline with a reimbursement agreement which will apply to that project. This Exhibit A, as it may be revised from time to time, shall also apply to any such project. In addition to all other requirements set forth in this Letter of Authorization or those imposed by law, Airline shall comply and shall include in all of its contracts for the reimbursable airline project ("Airline Project Contracts") requirements consistent with the City's requirements for affirmative action, equal opportunity, and such other requirements it imposes on contractors on City construction projects as the City may identify. These requirements are those set forth in this exhibit which may be unilaterally revised by the City from time to time.

In addition to complying with the requirements in this Exhibit A, in carrying out its responsibilities with respect to any reimbursable airline project Airline shall comply with all indemnification, insurance, and environmental requirements in this Letter of Authorization, which requirements are incorporated into and made a part of this Exhibit A.

The Airline shall cause its Contractors for the reimbursable airline project ("Airline Project Contractors") to execute a Contractor's Affidavit in the form provided by the City, and if requested by the City, to cause Airline Project Contractors to complete an "Economic Disclosure Statement and Affidavit." Additionally, if form contract language is provided by the City either in this exhibit or the applicable reimbursable agreement, Airline must use that language in Airline Project Contracts. Submission of such other information or reports regarding Airline Project Contractors as may be required by the City will be a condition of payment for any reimbursable airline project.

Provisions required by Applicable Laws and/or Airport Rules to be inserted in a reimbursement agreement shall be deemed inserted, whether or not they appear in that reimbursement agreement or, upon application by either party, the reimbursement agreement shall forthwith be amended by physically making such insertion; provided, however, in no event shall the failure to insert such provisions prevent the application or 'enforcement of such provisions or of the reimbursement agreement.

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1. Certification of Compliance with Laws

The Airline shall insure that the provision set forth below is inserted in all Airline Project Contracts, and shall immediately inform the City of any disclosures pursuant to it:

"By entering into this contract, contractor certifies to the best of its knowledge and belief that it, its principals and any subcontractors used in the performance of this contract, meet City of Chicago requirements and have not violated any City or sister agency policy, codes, state, federal, or local laws, rules or regulations and have not been subject to any debarment, suspension or other disciplinary action by any government agency. Additionally, if at any time the contractor becomes aware of such information, it must immediately disclose it to the Airline."

1

Minority and Women Business Enterprise

Airline shall provide for the participation of Minority and Women Business Enterprises in any Airline Project it performs under this Letter of Authorization. To this end, Airline shall establish a policy for the utilization of Minority and Women Business Enterprises, a liaison with the Department of Aviation and Department of Procurement Services for Minority and Women Business Enterprises, a goal for the award of Airline Project Contracts, and a reporting procedure agreeable to the Airline and the City.

a) Policy

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

> Airline is committed to providing fair and representative opportunities for minorities and women and Minority and Women Business Enterprises in its work. Neither Airline nor its Contractors shall discriminate on the basis of race, color, religion, sex or national origin in the award and performance of Contracts to be utilized for any ofthe work hereunder. Furthermore, affirmative action will be taken, consistent with sound procurement policies and applicable law, to ensure that Minority and Women Business Enterprises are afforded a fair and representative opportunity to participate in Contracts awarded by Airline.

This policy shall be stated in all Airline Project Contracts, circulated to all employees of Airline in affected departments, and made known to minority and women entrepreneurs.

b) Liaison

To ensure compliance and the successful management of Airline's Minority and Women Business Enterprise program, Airline shall establish a Minority and Women Business Enterprise liaison with City's Department of Aviation and with the City's Department of Procurement Services. Further, all personnel of Airline and all others with responsibilities in the supervision of Airline Project Contracts for the Airline are to see that actions are performed consistent with the affirmative action goals of this Letter of Authorization.

c) Goals

The goals to be met by Airline in the Airline Project hereunder shall be with utilization of Minority Business Enterprises ("MBE") and Women Business Enterprises ("WBE") certified by the City of Chicago, subject to the availability of MBE and WBE capable of performing the work. These goals shall be administered in a manner to assure City and Airline that: (1) the work shall be completed at a reasonable and acceptable cost to Airline, (2) the

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work shall be completed on a reasonable and acceptable timetable to Airline and City and, (3) the quality ofthe work shall be reasonable and acceptable to Airline and City.

2

The goals of the Airline for participation by MBEs and WBEs in the Airline Project shall be to achieve a minimum of MBE participation of 26% and WBE participation of 6%, based on the total contracted expenditures for the Airline Project, unless otherwise directed by the City.

Should Airline determine that no MBE and WBE is capable or available to perform the Airline Project, it shall notify the Commissioner specifying the type of work required and the reasons an MBE and/or WBE is not available to perform such work. Airline shall also notify the Department of Procurement Services, which shall determine if any MBE and WBE are available to perform the Work needed. If the Department of Procurement Services determines that MBEs or WBEs are available to perform such work, it shall notify the Airline of such availability and Airline will be required to utilize such MBE and WBE to the extent the goals set forth above can be met.

d) Eligibility

Only those persons, firms, partnerships, corporations or other legal entities certified by the City of Chicago or Cook County as a certified MBE and/or WBE shall be eligible for purposes of meeting the goals established by this Letter of Authorization.

e) Reporting

The Minority and Women Business Enterprise progress report required by this section shall be made on forms or on a format established by City and agreeable to Airline. Such reports shall include the following items:

i) the total amount of prime and subcontract awards during the quarter and, for any Airline Project awards to Minority and Women Business Enterprises resulting therefrom, the name of the Minority and Women Business Enterprise and the amount ofthe Contract with the Minority and Women Business Enterprise;

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

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

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

v) an evaluation of the overall progress to date towards the Minority and Women Business Enterprise goals for the work.

3. Illinois Equal Employment Opportunity Clause

Pursuant to 44 111. Admin. Code Part 750, Airline must comply with the Equal Employment Opportunity clause found in 44 111. Admin. Code Part 750 Appendix A with respect to work to be reimbursed by the City and must require it to be included verbatim in all Airline Project Contracts. Failure to comply with clause may cause Airline to be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political

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subdivisions or municipal corporations, and the reimbursement agreement may be cancelled or voided in whole or in part, and other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation.

4. Equal Employment Opportunity and Affirmative Action Plan

Airline must commit to establish, maintain and implement a written Equal Employment Opportunity and Affirmative Action Plan (the "EEO/AA Plan") for that work involving Airline Project construction, which plan is acceptable to City and Airline.

Airline shall establish participation goals in conformity with the Municipal Code § 2-92-390, as amended from time to time, and any applicable state or federal EEO law.

5. Employment of City Residents

Airline agrees to ensure that in the aggregated hours of Airline Project involving construction work to be performed, at least 50% of the on-site worker hours in the category of construction laborers and at least 50% of the on-site worker hours in the category of skilled construction trade workers shall be residents of the City. The City may identify a required percentage of City residents who must reside in the project area (as defined by the City) and/or socio-economically disadvantaged areas ofthe City.

6. Prevailing Wage

Airline must ensure that all Airline Project Contractors comply with all applicable federal, state, and City wage laws. Unless identified otherwise by the City, Airline Project Contracts call for the construction of a "public work" within the meaning of Illinois Prevailing Wage Act, 820 ILCS I30/.01 et seq. ("the Act"). The Act requires contractors and subcontractors to pay laborers, workers and mechanics performing services on public works projects no less than the current "prevailing rate of wages" (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Illinois Department of Labor ("IDOL") publishes the prevailing wage rates on its website at <http://www.state.il.us/agency/idol/rates/rates.HTM>. IDOL revises the prevailing wage rates and the contractor/subcontractor has an obligation to check the IDOL web site for revisions to prevailing wage rates. Airline must require all Airline Project Contractors and subcontractors to comply with all requirements of the Act, including but not limited to, all wage requirements and notice and record keeping duties.

As a condition of making payment under a reimbursable agreement, the City may require Airline to submit Project Contractor(s) to submit aflidavit(s) to the effect that not less

than the prevailing hourly wage rate is being paid to laborers, mechanics, and other workmen employed on the Project Contract in accordance with Illinois law.

7. Performance Bonds, Retainage, and Prompt Payment of Subcontractors

Airline Project Contract requirements for performance bonds and retainage must be consistent with City requirements for its own construction work as set by ordinance. Prompt payment of subcontractors requirements must be consistent with City policy, currently requiring payment of subcontractors within seven days of payment to the prime contractor.

8. Bid incentives

The City has several bid preferences and incentives, as well as mentor-protegee programs and other programs for economic and/or workforce development or other purposes (e.g. preferences for veteran-owned businesses, clean

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diesel, apprentice utilization, etc.) which it may require Airline to implement in the context of bidding a Construction Project.

9. Reporting and Compliance

In the event that there are Airline Project Contracts subject to this Letter of Authorization, at quarterly intervals, beginning ninety (90) days following the execution of this Letter of.Authorization, Airline shall submit to City progress reports on forms or on a format established by City's Department of Procurement Services and agreeable to Airline, that provide required information concerning Airline compliance with Airline's MBE/WBE requirements, EEO and Affirmative Action Plan, and other City programs. This may include utilization of one or more City computer reporting systems.

10. Americans With Disabilities Act

The Airline shall insure that the appropriate provision set forth below is inserted in all contracts entered into with any design professional or with any Contractors and any labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with this Letter of Authorization:

A. Designs

"The Consultant warrants that all design documents produced for the City under this Agreement shall comply with all federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, 42 U.S.C. sec. 12102 et seq.; 41 C.F.R. part 60 et seq.; the Uniform Federal Accessibility Standards ("UFAS") or the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities ("ADAAG"); the Air Carrier Access Act, 49 U.S.C. § 41705, et seqT ("ACAA"); the Illinois Environmental Barriers Act. 410 ILCS 25/1 et seq., and the regulations promulgated thereto at 71 III. Adm. Code ch. 1, Sec. 400.110 et seq.; and all other applicable statutes, rules, regulations and executive orders. In the event that the above

cited standards are inconsistent, the Consultant shall comply with the standards providing greater accessibility."

B. Construction Contracts

"All construction or alteration undertaken by Contractor under this contract shall be performed in compliance with all federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P42 U.S.C. sec. 12102 et seq.; 41 C.F.R. part 60 et seq.; the Uniform Federal Accessibility Standards ("UFAS") or the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities ("ADAG"); the Air Carrier Access Act, 49 U.S.C. § 41705, et seq. ("ACAA"); the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., and the regulations promulgated thereto at 71111. Adm. Code ch. I, Sec. 400.110; and all other applicable statutes, rules, regulations and executive orders. The Contractor shall, prior to construction, review the plans and specifications and notify the Airline and the City in the event that the plans and specifications are not in compliance with the above referenced standards."

11. Clean Diesel Contracting, Municipal Code Section 2-92-595

If a reimbursable Airline Project is for construction, demolition, restoration, repair, renovation, environmental remediation or environmental abatement of any building, structure, tunnel, excavation, roadway, bridge, transit

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station or parcel of land and the estimated value of the Airline Project is $2,000,000 or more, Airline's Project Contractor and any subcontractors must comply with the Clean Diesel Contracting Ordinance, MCC Section 2-92 -595, as if the Project Contract were awarded by the City.

12. Safety Enhancing Vehicle Equipment Contracting. Municipal Code Section 2-92-597

If the estimated value of a reimbursable Project is $2,000,000 or more, and is for construction work or otherwise involves the use of Large Vehicles as defined in MCC Section 2-92-597, Airline's Project Contractor and any subcontractors must comply with the Safety Enhancing Vehicle Equipment Contracting Ordinance, MCC Section 2-92-597, as if the Project Contract were awarded by the City.

13. Non-Responsible Bidder

Prior to awarding any Airline Project Contracts, Airline must provide City with the names of vendors who may be awarded such contracts. Airline agrees that no contracts shall be awarded to persons or corporations identified on City's list of non-responsible bidders, nor shall such persons or corporations be used as subcontractors, so long as such list does not discriminate against any bidders because of race, religion, age, handicap, color, sex, national origin, citizenship or political affiliation. Airline further agrees that no contracts or subcontracts shall be awarded to persons or corporations that would be ineligible for contracting with the City based on federal or state law.

Airline will comply with, and require any Airline Project Contractor to comply with, Section 2-92-320 ofthe Municipal Code of Chicago, as follows:

No person or business entity shall be awarded a contract or sub-contract if that person or business entity:

a) has been convicted of bribery or attempting to bribe a public officer or employee of the City of Chicago, the State of Illinois, or any agency of the federal government or of any state or local government in the United States, in that officers or employee's official capacity; or

b) has been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price, or otherwise; or

c) has made an admission of guilt of such conduct described in (a) or (b) above which is a matter of record but has not been prosecuted for such conduct; or

d) has violated Municipal Code of Chicago Section 2-92-610; or

e) has violated any regulation promulgated by the Chief Procurement Officer of the City of Chicago that includes ineligibility as a consequence of its violation; or

(0 has committed, within a 24-month period, three or more violations of Chapter I -24 of the Municipal Code of Chicago; or

(g) has been debarred by any local, state or federal government agency from doing business with such government agency, for any reason or offense set forth in subsections (a), (b), or (c) of this section, or substantially equivalent reason or offense, for the duration of the debarment by such government agency.

For purposes of this section, where an official, agent or employee of a business entity has committed any offense under this section on behalf of such an entity and pursuant to the direction or authorization of a responsible official thereof, the business entity will be chargeable with the conduct.

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One business entity will be chargeable with the conduct of an affiliated agency. Ineligibility under this section will continue for three (3) years following such conviction or admission. The period of ineligibility may be reduced, suspended, or waived by the CPO under certain specific circumstances. Reference is made to Section 2-92-320 of the Municipal Code of Chicago for a definition of affiliated agency, and a detailed description of the conditions which would permit the Chief Procurement Officer to reduce, suspend, or waive the period of ineligibility.

14. Federal No-Business List

Airline shall include the following language in all Airline Project Contracts:

"Contractor warrants and represents that neither Contractor nor an Affiliate, as defined below, appears on the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List, or the Debarred List as

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maintained by the Office of Foreign Assets Control ofthe U.S. Department ofthe Treasury or by the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment.

'Affiliate' means a person or entity which directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Contractor. A person or entity will be deemed to be controlled by another person or entity if it is controlled in any manner whatsoever that results in control in fact by that other person or entity, either acting individually or acting jointly or in concert with others, whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

15. Contracting Authority of Airline

Nothing contained herein shall be deemed to supersede the authority and responsibility which may otherwise be granted to Airline with respect to the contracting process for the work.

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EXHIBIT B to the TERMS AND CONDITIONS AFFILIATE DESIGNATION

FORM

DESIGNATION OF AFFILIATE

[Airline] ("Airline"), an airline who has executed and delivered to the City of Chicago ("City") a Letter of Authorization ("LOA"), dated [ ], as required by the O'Hare International Airport ("O'Hare") Rates and Operations Ordinance ("Ordinance") hereby designates [Affiliate] ("Affiliate") as its Affiliate at O'Hare in accordance with and subject to Article 4 ofthe Terms and Conditions ("Terms and Conditions") ofthe LOA.

1. This designation is effective as of , 20 .

2. (a) Airline hereby represents to the City that Affiliate [check at least one]:

- is a parent or subsidiary of Airline or a subsidiary of Airline's parent company or is under the same parental control as Airline; or
- operates flights under an International Transport Association ("IATA") flight designator code of Airline; or
- otherwise operates under essentially the same trade name as Airline and uses essentially the same livery as Airline; or
- operates cargo feeder flights at the Airport under the direction and control of Airline.

3. Affiliate has executed and delivered to the City an LOA as required by Section 1.5 of the Ordinance.

4. Airline hereby confirms and agrees that [check one]:

- Airline
- Affiliate

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will pay to the City all Airport Fees and Charges, and other charges due to the City for Affiliate's use of the Airport as an Affiliate of Airline, and will submit to the City the activity reports required by Article 5 and Article 6 ofthe Ordinance.

5. Airline hereby confirms and agrees that [check one]:

□ Airline D Affiliate

will pay to the City all PFCs collected for Affiliate's enplaning passengers at the Airport.

6. Airline confirms and agrees that it shall remain, with Affiliate, jointly and severally liable to the City for the payment of all Airport Fees and Charges, and other charges (including PFCs) and the submission of all activity reports due to the City for Affiliate's use of any Airport facilities or Airport services as an Affiliate of Airline.

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[Airline]

By: , Airline's authorized representative

Name:

Title:

Date:

EXHIBIT C to the TERMS AND CONDITIONS ALLIANCE PARTNER

DESIGNATION FORM

DESIGNATION OF ALLIANCE PARTNER

[Airline] ("Airline"), an airline who has executed and delivered to the City of Chicago ("City") a Letter of Authorization ("LOA"), dated [ ], as required by the O'Hare International Airport ("O'Hare") Rates and Operations Ordinance ("Ordinance"), hereby designates [Alliance Partner] ("Alliance Partner") as its Alliance Partner at O'Hare in accordance with and subject to Article 4 of the Terms and Conditions ("Terms and Conditions") of the LOA.

1. This designation is effective as of , 20 .

2. Airline hereby represents to the City that Alliance Partner is a member of the same Airline Alliance as Airline.

Name of Airline Alliance:

3. As required by Airline's LOA, Airline has attached hereto publicly available documentation demonstrating that the aforementioned Airline Alliance is active.

4. Alliance Partner has executed and delivered to the City an LOA as required by Section 1.5 of the Ordinance.

[Airline]

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By: , Airline's authorized representative

Name:

Title:

Date:

Attachment(s) [ ] - See Paragraph 3.

EXHIBIT D to the TERMS AND CONDITIONS

COMPLIANCE WITH LAWS Section 1. General

Provisions

A) Airline shall comply, and shall include in all of its agreements entered into in connection with or pursuant to the performance of any acts or obligations under the Ordinance or this Letter of Authorization (regardless of whether they are reimbursed by the City) a requirement that its Contractors comply, with all applicable federal, state, and local laws, codes, regulations, ordinances, executive orders, rules, and orders.

B) Airline agrees that all of the applicable provisions set forth in this Exhibit will be incorporated in all of its agreements entered into in connection with or pursuant to the performance of any acts or obligations under the Ordinance or this Letter of Authorization.

C) Further, Airline shall execute, and shall include in all of its agreements entered into in connection with or pursuant to the performance of any acts or obligations under the Ordinance or this Letter of Authorization a requirement that its Contractors execute, such affidavits and certifications as shall be required by the City. Such certifications shall be attached and incorporated by reference in the applicable agreements.

D) In the event that any Contractor is a partnership or joint venture, Airline shall also include provisions in its agreement with Contractor insuring that the entities comprising such partnership or joint venture shall be jointly and severally liable for its obligations thereunder.

E) The City may unilaterally revise this Exhibit from time to time.

Section 2. Federal Nondiscrimination Requirements

(A) Airline acknowledges that the City has given to the United States of America, acting by and through the FAA, certain assurances with respect to nondiscrimination required by Title VI ofthe Civil Rights Act 1964 (42 U.S.C. § 2000d et seq.. 78 Stat. 252), 49 CFR Part 21, 49 CFR § 47123, 28 CFR § 50.3 and other acts and regulations relative to nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation ("DOT") (collectively, and including all amendments thereto, the "Title VI Pertinent Nondiscrimination Acts and Authorities," and listed below) as a condition precedent to receiving Federal financial assistance from FAA for certain Airport programs and activities. The City is required under the Acts and Regulations to include in this Letter of Authorization, and Airline agrees to be bound by, the following covenants and requirements:

i. Airline, for itself, its assignees and successors in interest, covenants and agrees to comply with pertinent statutes. Executive Orders and such rules are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability, be excluded from participating in any program or activity conducted with or benefitting from Federal financial assistance received by the City from the FAA. In the event of

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Airline's breach of any of the above Nondiscrimination covenants, the City shall have the right to terminate this Letter of Authorization.

ii. Airline, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the Assigned Space for a purpose for which a DOT activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Airline shall maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the ground of race, color, 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.

iii. In the event of Airline's breach of any ofthe Nondiscrimination covenants described in subsection (ii), above, the City shall have the right to terminate this Letter of Authorization, and to enter, re-enter and repossess Airline's Assigned Space and the facilities thereon, and hold the same as if this Letter of Authorization had never been made or issued. This subparagraph (iii) shall not become effective until the procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.

iv. Airline shall include these subsections (i) through (iv), inclusive, in Airline's licenses, permits and other instruments relating to Airline's Assigned Space, and shall require that its licensees, permittees and others similarly include these statements in their licenses, permits and other instruments relating to Airline's Assigned Space.

(B) Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, Airline, for itself, its assignees, and successors in interest agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

- Title VI ofthe Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Nondiscrimination In Federally-Assisted Programs of The Department of Transportation-Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 ofthe Rehabilitation Act of 1973. (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability): and 49 CFR part 27;
- The Age Discrimination Act of 1975. as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);

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- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits

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discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI ofthe Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all ofthe programs or activities ofthe Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 - 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- *Title IX ofthe Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 el seq.).*

(C) Nondiscrimination in Contracting Activities

i. Airline, with regard to any contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors or subcontractors, including procurements of materials and leases of equipment. Any contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and Regulations.

ii. In all solicitations, either by competitive bidding, or negotiation made by Airline or its contractor for work to be performed under a contract or subcontract, including procurements of materials, or leases of equipment, each potential contractor, subcontractor or supplier will be notified by the contractor of Airline and contractor's obligations under the Acts and Regulations relative to non-discrimination on the grounds of race, color, or national origin.

State Nondiscrimination Requirements

Airline must comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., as amended and any rules and regulations promulgated in accordance therewith, including the Equal Employment Opportunity Clause, 445 111. Admin. Code 750, Appendix A. Airline must also comply with the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 el seq., as amended; the Environmental Barriers Act, 410 ILCS 25/1 'et seq.; and all other applicable state laws, rules, regulations and executive orders.

Section 4. City Nondiscrimination Requirements

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A) Airline must comply with the Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq. of the Municipal Code; and all other applicable Municipal Code provisions, rules, regulations and executive orders.

B) Further, Airline must furnish, or cause each of its Contractors to furnish, such reports and information as requested by the Chicago Commission of Human Relations.

Section 5. Affirmative Action

Airline assures that: (a) it shall undertake an affirmative action program as required by the City, and by all federal and state laws, rules and regulations pertaining to Civil Rights (and any and all amendments thereto), including, without limitation, 49 CFR Part 21 and 49 U.S.C. § 47123, to assure that no person shall, on the grounds of race, creed, color, national origin, sex, or age be excluded from participation in or denied the benefits ofthe program or activity conducted with or benefitting from Federal financial assistance received by the City from the FAA; (b) it shall not engage in employment practices that result in excluding persons on the grounds of race, creed, color, national origin, sex, or age, from participating in or receiving the benefits of any program or activity conducted with or benefitting from Federal financial assistance received by the City from the FAA, or in subjecting them to discrimination or another violation of the regulations under any program covered by 49 CFR Part 21 and 49 U.S.C. § 47123; and (c) it shall include the preceding statements of this Section 5 in Airline's contracts and other applicable documents under the Ordinance or this Letter of Authorization, and shall require that its contractors and others similarly include these statements in their subcontracts and applicable documents.

Section 6. Safety and Security

(A) Airline expressly acknowledges its responsibility to provide security at the Airport in accordance with 49 U.S.C. sec. 449 and 14 CFR Part 107, "Airport Security," as such may be amended from time to time, including any applicable rules and regulations promulgated thereunder, and with all rules and regulations of the City concerning security procedures, including the Airport's approved security program. Airline expressly acknowledges its responsibility to provide security with respect to airplane operations in accordance with 14 CFR Part 108, "Airplane Operation Security," as such may be amended from time to time, and with

the rules and regulations of the City concerning security procedures, including the Airport's approved security program.

B) All employees providing services at the Airport must be badged by the City, as provided below in Section 7, "Airport Security Badges." Airline, Contractors, and the respective employees of each are subject to such employment investigations, including criminal history record checks, as the Administrator ofthe Federal Aviation Administration ("FAA"), the Under Secretary of the Transportation Security Administration ("TSA"), and the City may deem necessary. Airline, its Contractors, their respective employees, invitees and all other persons under the control of Airline must comply strictly and faithfully with any and all rules, regulations and directions which the Commissioner, the FAA, or the TSA may issue from time to time during the life of this Letter of Authorization with regard to security, safety, maintenance and operation of the Airport and must promptly report any information regarding suspected violations in accordance with those rules and regulations.

C) Gates and doors that permit entry into restricted areas at the Airport must be kept locked by Airline at all times when not in use or under Airline's constant security surveillance. Gate or door malfunctions must be reported to the Commissioner without delay and must be kept under constant surveillance by Airline until the malfunction is remedied.

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D) Airline shall ensure that the following provision is inserted in all contracts entered into with any Contractors and with any labor organizations who furnish skilled, unskilled and craft union skilled labor, or who may provide any materials, labor or services in connection with this Letter of Authorization:

> "Aviation Security: This Agreement is subject to the airport security requirements of 49 U.S.C. chapter 449, as amended, the provisions of which govern airport security and are incorporated by reference, including without limitation the rules and regulations in 14 C.F.R. part 107 and all other applicable rules and regulations promulgated thereunder. In the event that Airline, or any individual employed by Airline, in the performance of this Agreement, has (i) unescorted access to aircraft located on or at the Airport (ii) unescorted access to secured areas or (iii) capability to allow others to have unescorted access to such aircraft or secured area, Airline shall be subject to, and further shall conduct with respect to its Contractors and their respective employees, such employment investigations, including criminal history record checks, as the Administrator of the Federal Aviation Administration, the Under Secretary of the Transportation Security Administration and City may deem necessary. Further, in the event this Agreement involves the construction, reconstruction, demolition or alteration of facilities to be located at or on the Airport, Airline shall, notwithstanding anything contained herein, at no cost to City, perform all obligations hereunder in compliance with those guidelines developed by City, the Transportation Security Administration and the Federal Aviation Administration, and in effect as of the Effective Date with the objective of maximum security

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> enhancement. In the event the Agreement involves the design of facilities or equipment, the drawings, plans, and specifications to be provided under the Agreement shall comply with those guidelines developed by City, the Transportation Security Administration and the ' Federal Aviation Administration and in effect at the time of the submit of such drawings, plans, and specifications."

Section 7. Airport Security Badges

A) As part of airport operations and security, Airline must obtain from the airport badging office Airport Security Badges for each of his employees, subcontractors, material men, invitees or any person(s) over whom Airline has control, which must be visibly displayed at all times while at the airport. No person will be allowed beyond security checkpoints without a valid Airport Security Badge. Each such person must submit signed and properly completed application forms to receive an Airport Security Badge. Additional forms and tests may be required to obtain Airport Driver's Certification and Vehicle Permits. The application forms will solicit such information as the Commissioner may require in his discretion, including but not limited to name, address, date of birth (and for vehicles, driver's license and appropriate stickers). Airline is responsible for requesting and completing the form for each employee and subcontractor employee who will be working at the Airport and all vehicles to be used on the job site. Upon signed approval of the application by the Commissioner or his designee, the employee will be required to attend a presentation regarding airport security and have his or her photo taken for the badge. The Commissioner may grant or deny the application in his sole discretion. Airline must make available to the Commissioner, within one day of request, the personnel file of any employee who will be working under this Letter of Authorization.

B) As provided in Section 6 above, in order for a person to have an Airport Security Badge that allows access to the airfield or aircraft, a criminal history record check ("CHRC") conducted by the Department of Aviation will also be required. The CHRC will typically include a fingerprint analysis by the Federal Bureau of Investigation and such other procedures as may be required by the TSA.

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C) Airport Security Badges, Vehicle Permits and Driver's Licenses will only be issued based upon properly completed application forms. Employees or vehicles without proper credentials may be removed from the secured area and may be subject to fine or arrest. Airline will be jointly and severally liable for any fines imposed on its employees or its Contractors' employees. .

D) In addition to other rules and regulations, the following rules related to Airport Security Badges, Vehicle Permits and Driver's Licenses must be adhered to:

i. Each person must wear and display his or her Airport Security Badge on their outer apparel at all limes while at the airport.

ii. All individuals operating a vehicle on the Aircraft Operations Area ("AOA") must be familiar and comply with motor driving regulations and procedures ofthe

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State of Illinois, City of Chicago and the Department of Aviation. The operator must be in possession of a valid, State-issued Motor Vehicle Operator's Driver's License. All individuals operating a vehicle on the AOA without an escort must also be in possession of a valid Aviation-issued Airport Driver's Permit.

iii. All operating equipment must have an Airport Vehicle Access Permit affixed to the vehicle at all times while operating on the Airport. All required City stickers and State Vehicle Inspection stickers must be valid.

iv. Individuals must remain within their assigned area and haul routes unless otherwise instructed by the Department of Aviation.

v. Airline's personnel who function as supervisors, and those that escort Airline's equipment/operators to their designated work sites, may be required to obtain an added multi-area access designation on their personnel Airport Security Badge which must also be displayed while on the AOA.

Section 8. Confidentiality of Airport Security Data

Airline has an ongoing duty to protect confidential information, including but not limited to any information exempt from disclosure under the Illinois Freedom of Information Act, such as information affecting security ofthe airport ("Airport Security Data"). Airport Security Data includes any Sensitive Security Information as defined by 49 CFR Part 1520. Airline acknowledges that information provided to, generated by, or encountered by Airline may include Airport Security Data. If Airline fails to safeguard the confidentiality of Airport Security Data, Airline is liable for the reasonable costs of actions taken by the City, the airlines, the Federal Aviation Administration ("FAA"), or the Transportation Security Administration ("TSA") that the applicable entity, in its sole discretion, determines to be necessary as a result, including without limitation the design and construction of improvements, procurement and installation of security devices, and posting of guards. All agreements entered into in connection with or pursuant to the performance of any acts or obligations under the Ordinance or this Letter of Authorization by Airline must contain the language of this section. If Airline fails to incorporate the required language in all such agreements, the provisions of this section are deemed incorporated in all such agreements.

Section 9. Americans with Disabilities Act and Air Carrier Access Act

(A) Airline shall be solely and fully responsible for ensuring that Airline's operations, wherever they may occur at the Airport, and any improvements made by Airline pursuant to this Letter of Authorization, shall comply with Title II (to

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the extent applicable) and III of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.. as amended from time to time ("ADA"), and the Air Carrier Access Act. 49 U.S^C. § 41705. as amended from time to time ("ACAA"). including without limitation any obligation to provide boarding and deplaning assistance at the Airport. In the event of a violation of or non-compliance with Title II (to the extent applicable) or III ofthe ADA or the ACAA, Airline shall develop a work plan to correct such violation or non-compliance. The City's approval of or acceptance of any aspect of

Airline's activities under this Letter of Authorization shall not be deemed or construed in any way as a representation that such item, activity or practice complies with the ADA or the ACAA. Airline agrees to indemnify, defend, and hold the City harmless from any and all costs incurred by the City with respect to Airline's failure to comply with the ADA or the ACAA for Airline's operations or any improvements made by Airline at the Airport. The City shall comply with the ADA and the ACAA as applicable to any facilities constructed by the City and any improvements made by the City at the Airport.

(B) Airline shall insure that the appropriate provision set forth below is inserted in all contracts entered into with any design professional or with any Contractors and any labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with this Letter of Authorization:

Designs

"The Consultant warrants that all design documents produced for the City under this Agreement shall comply with all federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, 42 U.S.C. sec. 12102 et seq.; 41 C.F.R. part 60 et seq.; the Uniform Federal Accessibility Standards ("UFAS") or the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities ("ADAAG"); the Air Carrier Access Act, 49 U.S.C. § 41705, et seq. ("ACAA"); the Illinois Environmental Barriers Act. 410 ILCS 25/1 et seq., and the regulations promulgated thereto at 71 111. Adm. Code ch. 1, Sec. 400.110 et seq.; and all other applicable statutes, rules, regulations and executive orders. In the event that the above cited standards are inconsistent, the Consultant shall comply with the standards providing greater accessibility."

Construction Contracts

"All construction or alteration undertaken by Contractor under this contract shall be performed in compliance with all federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P42 U.S.C. sec. 12102 et seq.; 41 C.F.R. part 60 et seq.; the Uniform Federal Accessibility Standards ("UFAS") or the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities ("ADAG"); the Air Carrier Access Act, 49 U.S.C. § 41705, et seq. ("ACAA"); the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., and the regulations promulgated thereto at 71 I I I. Adm. Code ch. 1, Sec. 400.1 10; and all other applicable statutes, rules, regulations and executive orders. The Contractor shall, prior to construction, review the plans and specifications and notify Airline and

the City in the event that the plans and specifications are not in compliance with the above referenced standards."

Section 10. Boarding and Deplaning Assistance

A) Airline Responsibilities

i. As required by 14 C.F.R. § 382.95(b), Airline "must . . . provide boarding and deplaning assistance through the use of lifts or ramps at [O'Hare] where boarding and deplaning by level-entry loading bridges or accessible passenger lounges is not available." Consistent with the requirements of 14 C.F.R. § 382, Airline shall be responsible for acquiring or making arrangement - whether directly or through its ground handlers, other airlines operating at O'Hare, CDA (as set forth below in Section (B) or otherwise - for boarding and deplaning assistance devices for use with its aircraft at O'Hare.

ii. Consistent with the requirements of 14 C.F.R. § 382.141, Airline shall ensure that those personnel involved in providing boarding and deplaning assistance through the use of lifts, ramps or other accessibility devices are properly trained in the use and operation of the devices and appropriate boarding and deplaning assistance procedures that safeguard the safety and dignity of passengers.

iii. As explained in 66 Federal Register 22107, the use of a boarding chair to carry a passenger up or down stairs is only permitted in "abnormal circumstances (e.g., if a lift breaks down)," and "is conditioned on the passenger's consent (except in the case of emergency evacuations)." Furthermore, pursuant to 14 C.F.R. § 382.101, Airline personnel "must never use hand-carrying (i.e., directly picking up the passenger's body in the arms of one or more carrier personnel to effect a level change the passenger needs to enter or leave the aircraft), even if the passenger consents, unless this is the only way of evacuating the individual in the event of an emergency."

B) CDA Mechanical Lift

i. The City owns a mechanical lift ("CDA Lift") that can be used to board and deplane mobility-impaired passengers on aircraft covered by 49 CFR § 27.72.

ii. Airline may request the right to use the CDA Lift at O'Hare to satisfy its obligations under the Air Carrier Access Act (49 U.S.C. § 41705) and the regulations promulgated thereunder (14 CFR § 382.95) and will be allowed to use the CDA Lift, on the terms and conditions set forth herein.

iii. The City will make the CDA Lift available to Airline on a first-come, first-serve basis with other airlines. The City shall have no liability to Airline if the CDA Lift is not available at the time required by Airline.

C) Agreements and Acknowledgements

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i. Airline hereby acknowledges and agrees that the CDA Lift is made available to Airline "as is." The City makes no warranty or representation, either express or implied, as to the design or condition of, or as to the quality ofthe CDA Lift, and the City makes no warranty of merchantability of fitness for a particular purpose or any component thereof as to

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any other matter, it being agreed that all such risks, as between the City and Airline, are to be borne by Airline, and the benefits of any and all implied warranties ofthe City are hereby waived by Airline.

ii. Airline agrees that it will only use and operate the CDA Lift with trained City personnel: (i) in accordance with the manufacturer's instructions and the requirements of all applicable laws and regulations; (ii) on aircraft that are compatible with the CDA Lift; (iii) with Airline personnel or Airline's ground handler personnel who have been properly trained to assist passengers on or off of the CDA Lift; (iv) with reasonable care; and (v) in connection with aircraft that Airline is authorized to operate or ground handle.

iii. Airline further agrees to take good care ofthe CDA Lift when using it, reasonable wear and tear excepted. Airline agrees to reimburse the City promptly after written demand for any costs incurred by the City in repairing or replacing the CDA Lift, if it was damaged or destroyed while in Airline's possession or under its control.

Section 11. Inspector General

Pursuant to Article 9 of the Terms and Conditions of this Letter of Authorization, Airline shall ensure that the provision set forth below is inserted in all contracts or agreements entered into with any contractors, subtenants or licensees/sub-licensees, and any work or service providers providing any materials, labor, or services in connection with this Letter of Authorization, including but not limited to design professionals and Project Contractors and any labor organizations which furnish skilled, unskilled and craft union skilled labor:

> "[Contractor/Subtenant] and all of its [subcontractors/subtenants] have a duty to cooperate with the Inspector General ofthe City of Chicago in any investigation or hearing, if applicable, undertaken pursuant to Chapters 2-56, respectively, of the Municipal Code of Chicago. [Contractor/Subtenant] understands and will abide by all provisions of those chapters. All [subcontracts/subtenant agreements] must inform [contractors/subtenants] of this provision and require understanding and compliance with it."

Additionally, with respect to any work or services to be paid by the City, pursuant to MCC 2-156-018 it is the duty of Airline, and any of its Project Contractors, to report to the Inspector General, directly and without undue delay, any and all information concerning conduct which it knows to involve corrupt activity. "Corrupt activity" means any conduct set forth in Subparagraph (a)(1). (2) or (3) of Section 1-23-020 ofthe MCC. Knowing failure to make such a report will be an event of default under any applicable reimbursement agreement. Reports may be made to the Inspector General's toll-free hotline, 866-IG-TIPLINE (866-448-4754).

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Section 12. Multi-Project Labor Agreement

The City has entered into the Multi-Project Labor Agreement ("PLA") with various trades regarding projects involving construction, demolition, maintenance, rehabilitation, and/or renovation work on City property, as described in the PLA, a copy of which may be found on the City's website at:

<http://www.citvofchicaso.ors/dam/ciiv/depts/dps/RiilesResidations/Multi-

To the extent that Airline engages in work subject to the PLA, whether or not reimbursed by the City, Airline acknowledges familiarity with the requirements ofthe PLA and shall comply with them.

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Section 13. Minimum Wage and Other Labor Laws

Airline will comply with all applicable federal, state, and local labor laws and regulations, including, without limitation: the Fair Labor Standards Act, 29 U.S.C. § 201; the Occupational Safety and Health Act, 20 CFR Part 1910; and City minimum wage ordinances and executive orders and associated rules and regulations. This includes, without limitation, compliance with the wage requirements set forth in Mayoral Executive Order 2014-1, incorporated by reference, to the extent that the Order would apply to Airline's activities.

Section 14. Prohibition on Certain Contributions, Mayoral Executive Order 2011-4

A) Neither Airline or any person or entity who directly or indirectly has an ownership or beneficial interest in Airline of more than 7.5% ("Owners"), spouses and domestic partners of such Owners, Airline's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("Sub-owners") and spouses and domestic partners of such Sub-owners (Airline and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee (as such term is defined in Municipal Code Chapter 2-156) (a) after execution of this Letter of Authorization by Airline, (b) while this Letter of Authorization or another agreement between Airline and the City (an "Other Contract") is executory, (c) during the term of this Letter of Authorization or any Other Contract, or (d) during any period while an extension of this Letter of Authorization or any Other Contract is being sought or negotiated.

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

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

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political fundraising committee; or (iii) bundle or solicit others to bundle contributions to the Mayor or to the Mayor's political fundraising committee.

D) The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this Section 14 or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this Section 14 or Mayoral Executive Order No. 2011-4.

E) Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Section 14 or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Letter of Authorization and any Other Contract, for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including termination for default) under this Letter of Authorization, under any Other Contract, at law and in equity. This Section 14 amends any Other Contract with respect to the matters described herein and supersedes any inconsistent provision contained therein.

Section 15. Certification Regarding Lobbying

A) Airline certifies by signing and submitting this Letter of Authorization, to the best of its knowledge and belief, that:

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i. No Federal appropriated funds have been paid or will be paid, by or on behalf of Airline, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

ii. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL. "Disclosure Form to Report Lobbying," in accordance with its instructions.

iii. Airline shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

B) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352. title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

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Distracted Driving

A) In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), the FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

B) In support of this initiative, the City encourages Airline to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. Airline must include the substance of this Section 16 in all sub-tier contracts exceeding $3,500 and involve driving a motor vehicle in performance of work activities associated with the project.

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EXHIBIT C to the LETTER OF AUTHORIZATION ASSIGNED SPACE NOTICE

O'HARE

EXHIBIT C - Form of Assigned Space Notice

I. Airline:

II. Description of space including approximate square footage:

A. Exclusive Use Space (as applicable):

B. Preferential Use Space (as applicable):

III. Layout drawing of Space (EXAMPLE ONLY - MULTIPLE PAGES FOR

RELEVANT SPACE, separated by Exclusive Use Space and Preferential Use Space):

EXHIBIT C

to the O'HARE RATES AND OPERATIONS ORDINANCE Form of Month-to-Month LETTER OF AUTHORIZATION

LETTER OF AUTHORIZATION

[NAME] [TITLE] [AIRLINE]
[ADDRESS]

SUBJECT: LETTER OF AUTHORIZATION
CHICAGO O'HARE INTERNATIONAL AIRPORT

Dear [NAME],

As required by Section 1.5 ofthe O'Hare International Airport Rates and Operations Ordinance (the "Ordinance"), this Letter of Authorization ("LOA") from the City of Chicago ("City") grants [Airline] ("Airline") certain rights to use the Airfield and certain designated space within the Terminal Complex (as those terms are defined in the Ordinance) at O'Hare International Airport (the "Airport") subject to the terms and conditions specified in the Ordinance, Exhibit A, and the Terms and Conditions ("Terms and Conditions"), Exhibit B, both of which are attached and incorporated by reference into this LOA. Airline agrees to comply with the Ordinance for as long as Airline operates at the Airport unless and until both Airline and City have executed an Airline Use and Lease Agreement ("AULA") with an effective date on or after May 12, 2018, at which point the AULA, rather than the Ordinance, will govern Airline's operations at the Airport. Failure of Airline to comply with the Ordinance shall be a default under this LOA and shall entitle the City to terminate this LOA and to exercise all other rights and remedies set forth in the Ordinance or otherwise legally available.

Each reference in this LOA and the Terms and Conditions to any of the following subjects shall incorporate the information specified below:

City: City of Chicago.

City's Overnight Delivery and Street Address:

Attn: [Contact and Address] City's Post Office

and Payment Address:

Attn: [Contact and Address]

Airline: <Airline Legal Name>

Airline's Overnight Delivery Address:

Attn: [Contact and Address] Airline's Post

Office Delivery Address:

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Attn: [Contact and Address]

Effective Date:

Term: The City's grant of rights to Airline under the LOA shall be on a month-to-month basis.

Cancellation Rights: The LOA may be cancelled by either the City or Airline without cause upon sixty (60) days written notice to the other party, such cancellation to be effective at the end of the sixty (60) day notice period.

All other capitalized words and phrases used in this LOA have the meanings set forth in the Ordinance or the Terms and Conditions or, if not so set forth, shall have their usual and customary meanings.

Permitted Uses: As provided in Article 3 of the Ordinance.

Calculation of Rates And Charges and
Payment: Article 5 of the Ordinance establishes the Airport Fees and Charges that ' Airline must pay for use of space and other facilities at the Airport. Airline's payment obligations are specified in Article 6 of the Ordinance.

Security Deposit: $[Security Deposit], if required under the the Ordinance. Notices:

If to the City, to: Commissioner
Chicago Department of Aviation Chicago O'Hare
International Airport 10510 West Zemke Road Chicago, IL
60666
[Non-individual Electronic Mail Address:]

With a copy to:

General Counsel Chicago Department of Aviation Chicago
O'Hare International Airport 10510 West Zemke Road
Chicago, IL 60666
[Non-individual Electronic Mail Address:]

If to Airline for all notices, except pursuant to Sections 2.3, 6.2, 8.13 or 11.7.2 ofthe Terms and Conditions, to:

If to Airline for notices on environmental matters pursuant to Section 8.1.3, to:

[cc: airline general contract]
[Non-individual Electronic Mail Address]

If to Airline pursuant to Section 2.3 (City's Right of Entry) or Section 6.2 (Performance by City upon Failure of Airline) ofthe Terms and Conditions, to:

[local station manager]
[cc: airline general contact]
[Non-individual Electronic Mail Address]

With a copy to AAAC Representative:

or to such other person or address as either the City or Airline may hereafter designate by written notice to the other in accordance with this Notice section. Except as otherwise expressly provided hereunder, any notice or communication under this Letter of Authorization shall be deemed to have been given or made: (a) if a messenger or courier service is used, when delivered to the addressee; (b) if sent by mail (certified or by other method with tracking and confirmation receipt), upon receipt, or upon attempted delivery where delivery is refused or mail is unclaimed five (5) days after being deposited in the mails, postage prepaid and properly addressed; and (c) if sent by electronic mail, upon receipt by the City of a written reply or electronic receipt. Airline agrees to provide the City with any changes to its notice information, including electronic mail addresses, within five (5) business days of such change.

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Designation of Agent for Service of Process:

With respect to Section 11.7.2 (Service of Process) ofthe Terms and Conditions, Airline hereby designates as its

agent in Chicago, Illinois;

Please acknowledge receipt of this LOA and agreement to all of the provisions of this LOA, including the attached Terms and Conditions, by signing in the space provided below and returning the original to this office along with any required security deposit and certificates of insurance.

Sincerely,

[NAME]
[TITLE]
City of Chicago
Department of Aviation

Attachments:
Exhibit A O'Hare Rates and Operations Ordinance
Exhibit B Terms and Conditions
Exhibit C Assigned Space Notice

[SIGNATURE BLOCKS]

EXHIBIT A to the LETTER OF AUTHORIZATION O'HARE RATES AND

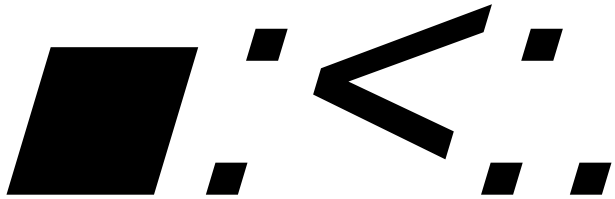
OPERATIONS ORDINANCE

(Omitted here)

EXHIBIT D

to the O'HARE RATES AND OPERATIONS ORDINANCE Form of

RATE AGREEMENT



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RATE AGREEMENT

This Rate Agreement ("Agreement") is made by and between the City of Chicago (the "City"), a municipal corporation of the State of Illinois, and ("Airline"), a corporation organized and existing under the laws of the State of and authorized to do business in the State of Illinois.

WHEREAS, the City has adopted an ordinance governing Air Carrier use of the airfield and passenger airline terminals at O'Hare International Airport (the "Airport") and prescribing the methodology for charging Air Carriers for such use (the "O'Hare Rates and Operations Ordinance"); and

, WHEREAS, the City has offered to share certain revenues and losses with Air Carriers and apply certain revenues to offset Air Carrier costs in exchange for certain covenants by the Air Carriers confirming their acceptance of the Ordinance, including without limitation the methodology for calculating Air Carrier rates and charges contained in Section II of the Ordinance;

NOW, THEREFORE, in consideration of the promises set forth in this Agreement, the City and Airline agree as follows:

1. Definitions

The following words, terms and phrases shall, for purposes of this Agreement, have the meanings defined in this Section 1. All other capitalized words and phrases used in this Agreement have the meanings otherwise set forth in this Agreement, the Ordinance, the Terms and Conditions of Airline's Letter of Authorization or, if not so set forth, shall have their usual and customary meanings.

"AAAC Representative" means the person designated in writing by the AAAC to serve as its representative for

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purposes of Rate Agreements.

"Aeronautical Real Estate" means the parcels and other areas of the Airport where aviation support, cargo, hangar and maintenance activities occur, including all roads and facilities serving such areas and associated air rights.

"Aeronautical Real Estate Revenue" means all revenues collected by the City for the right to use Aeronautical Real Estate.

"Bad Debt" means a monetary amount owed to the City that is unlikely to be paid as it is beyond the collectible period as set by City policy.

"Bad Debt Recovery" means the recapture of Bad Debt that has previously been allocated to a Cost Center.

"Commercial Real Estate" means the parcels and others areas of the Airport where commercial non-aeronautical activities such as hotel, office, non-terminal retail, public vehicle

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fueling and charging stations and other real estate development occur, including all roads and facilities serving such areas and associated air rights.

"Commercial Real Estate Revenue" means revenues collected by the City for the right to use Commercial Real Estate.

"Cost Centers" means the Airfield Cost Center, the Terminal Cost Center, Fueling System Cost Center, Aeronautical Real Estate Cost Center, Commercial Real Estate Cost Center), Parking and Ground Transportation Cost Center, and Consolidated Rental Car Facility Cost Center, all as further described in Exhibit A.

"Days of Cash on Hand" means the number of days of operating cash on hand as calculated by Fitch Ratings - Rating Criteria for Airports or similar rating agency criteria.

"Debt Service Coverage Requirement" means the Debt Service Coverage required by Section 404 of the Bond Indenture (as it may be amended or supplemented).

"Departing International Passengers" means passengers (including non-revenue passengers) embarking on an international flight at the Terminal.

"Duty Free Revenue" means revenue collected by the City from duty free and foreign exchange concessions.

"Duty Free Space Revenue Requirement" means the Terminal Rental Rate for Base Space multiplied by the amount of terminal space occupied by duty free concessions.

"Enplaned Passengers" means all originating and all outgoing on-line transfer and offline transfer revenue and non-revenue passengers departing from the Airport, but does not include through passengers.

"Parking and Ground Transportation" means all Airport related (a) public parking; (b) employee parking provided by the City; (c) taxi, transportation network and other ground transportation services; and (d) rental car services at the Airport.

"Parking and Ground Transportation Revenue" means all revenues collected by the City for the right to provide Parking and Ground Transportation services and concessions; provided, however, that Parking and Ground Transportation

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Revenues does not include Customer Facility Charges or any revenues pledged to the repayment of Customer Facility Charge revenue bonds or Transportation Infrastructure and Innovation Action of 1998 ("TIFIA") loans used to finance the CONRAC and related improvements.

"Rate Agreement" means an agreement between the City and an Air Carrier in a form substantially similar to this Agreement.

"Rate Agreement Carrier" means an Air Carrier that has entered into a Rate Agreement with the City.

"Rate Methodology" means the methodology for calculating Air Carrier rates and charges under Article 5 of the Ordinance.

"Terminal Concessions" means restaurants, bars, newsstands, gift shops, specialty shops, indoor and outdoor advertising displays, insurance, public telephones, internet kiosks and WiFi services, sleep centers, banking and ATMs (other than foreign currency exchanges) and other merchandising concessions and consumer services in the Terminal Area.

"Terminal Concessions Space Revenue Requirement" means the Non-Airline Space Revenue Requirement minus the Duty Free Space Revenue Requirement.

"Unrecoverable Airline Terminal Rent" means the applicable Terminal Rental Rate multiplied by the amount of vacant Airline Rentable Space in each Terminal plus Unrecovered Domestic Common Use Gate Fees, if any.

"Unrecovered Domestic Common Use Gate Fees" means the difference between the Domestic Common Use Gate Revenue Requirement calculated pursuant to Section 5.11.1(a) of the Ordinance and the Domestic Common Use Gate Fees collected by the City.

2. Term

2.1 Subject to Section 2.2, this Agreement shall commence on ("Effective Date"); provided, however, that this Agreement shall not become effective unless prior to Air Carriers operating at the Airport as of which collectively account for both (a) at least seventy percent (70%) of the aggregate Maximum Gross Landed Weight for all aircraft carrying passengers or cargo in commercial service that are not otherwise exempt from paying Landing Fees that landed at the Airport during the prior Fiscal Year and (b) at least eighty-five percent (85%) of Enplaned Passengers during the prior Fiscal Year, have executed and delivered Rate Agreements to the City. This Agreement shall terminate on December 31, 2019.

2.2 The rent adjustment and revenue use provisions in Sections 5 through 9 of

this Agreement shall be effective beginning July 1, 2018 and subject to the transition provisions

of Section 5.15.2 ofthe Ordinance.

3. **Airline's Acceptance of and Agreement Not to Challenge Ordinance**

Airline agrees to pay Airport Fees and Charges for its use ofthe Airport in accordance with the Rate Methodology as supplemented by this Agreement and acknowledges that this Agreement constitutes a written agreement with air

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carriers within the meaning of 49 U.S.C. § 47129(e)(1). Airline further agrees that it will not contest or challenge, in any forum, the reasonableness or validity ofthe Ordinance, including without limitation the Rate Methodology; provided, however, that Airline reserves the right to dispute whether the Airport Fees and Charges actually charged by the City were calculated in accordance with the Rate Methodology as supplemented by this Agreement.

4. **No Change to Rate Methodology**

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1 The City agrees that during the Term, the City shall use the Rate Methodology as modified by this Agreement to calculate Airline's rates and charges for the use ofthe Airport and the City shall not subject Airline to a different rates and charges methodology for its use of the Airport during the Term; provided, however, that:

a) the City shall exclude Amortization when calculating Capital Costs under the Ordinance;

b) the Airfield Revenue Requirement in Section 5.2 of the Ordinance shall be modified to include the net losses or revenues from the Fueling System Cost Center;

c) the City may add to the applicable revenue requirements any Bad Debt caused by the failure of any Air Carrier to pay fees and rents charged by the City under the Ordinance, but only after the City has made commercially reasonable efforts to recover any such Bad Debt from the delinquent rate-payer, and the City shall reduce the applicable revenue requirements by any Bad Debt Recovery; and

d) Subsection (a) of Section 6.4.1 of the Ordinance, "Delivery and Use of Security Deposit," shall no longer apply and instead shall be replaced in its entirety with the following:

(a) In the event that an Air Carrier fails to timely pay, or take the necessary action to define the correct amount due for, Terminal Area Charges or Landing Fees as required pursuant to Section 6.1 within ten (10) calendar days of receiving written notice to the Air Carrier of late or incomplete payment from the City more than two (2) times within any twelve (12) month consecutive period, the Air Carrier shall, within thirty (30) days of receiving written notice from the City of the third late payment and the City's written demand for security deposit, provide to the City a security deposit equal to the following (the "Security Deposit"):

2 The City shall be released from its obligation under Section 4.1 after providing thirty (30) days written notice to all Rate Agreement Carriers if any ofthe following occur:

1 The Rate Methodology is successfully challenged by one or more Air Carriers;

2 The City deems it to be in the City's best interest to settle a challenge brought by any Air Carrier by changing the Rate Methodology;

3 The City is otherwise required to modify the Rate Methodology in accordance with any applicable federal law, regulation or directive; or

4 The City and Air Carriers accounting for at least seventy percent (70%) of both (a) Landing Fees paid by for all Rate Agreement Carriers over the most recent twelve (12) month period and (b) Enplaned Passengers for all Rate Agreement Carriers over the most recent twelve (12) month period agree to change the Rate Methodology.

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4.3 In the event the City exercises its right under Section 4.2 and makes modifications to the Rate Methodology that collectively materially increase the Airport Fees and Charges to be paid by Airline, Airline shall have the right to terminate this Agreement upon thirty (30) days written notice to the City.

5. Net Terminal Concessions Rent Adjustments. The City shall calculate Net

Terminal Concessions Rent Adjustments separately for the Main Terminal and Terminal 5

according to the method set forth in this Section 5.

1 The City shall calculate the total amount ofthe Net Terminal Concessions Rent Adjustments to be made for Rate Agreement Carriers by computing the sum of the following items for each Fiscal Year:

a) *the revenue collected by the City from all Terminal Concessions except for Duty Free Revenue; minus*

b) *the Terminal Concessions Space Revenue Requirement; minus*

c) Unrecoverable Airline Terminal Rent or any other shortfall in fully recovering the Gross Terminal Revenue Requirement.

2 The City shall derive each Rate Agreement Carrier's Net Terminal Concessions Rent Adjustment for each Terminal effective July 1 for Fiscal Year 2018 and effective January 1 for Fiscal Year 2019 by multiplying the Rate Agreement Carrier's percentage share (if any) of total Enplaned Passengers for all Rate Agreement Carriers for each Terminal by the total amount of the Net Terminal Concessions Rent Adjustments for that Terminal.

3 At the time the City completes its final adjustments-to-actual under Section 5.18 ofthe Ordinance, the City shall issue payment to each Rate Agreement Carrier for its Net Terminal Concessions Rent Adjustment or, if there is a loss, shall invoice each Rate Agreement Carrier for its share ofthe loss.

6. Net Duty Free Rent Adjustments. The City shall calculate Net Duty Free Rent

Adjustments separately for the Main Terminal and the Terminal 5 according to the method set

forth in this Section 6.

1 The City shall calculate the total amount of Net Duty Free Rent Adjustments to be made for Rate Agreement Carriers by subtracting the Duty Free Space Revenue Requirement for the Fiscal Year from the Duty Free Revenue for such Fiscal Year.

2 The City shall derive each Rate Agreement Carrier's Net Duty Free Rent Adjustment for each Terminal effective July 1 for Fiscal Year 2018 and effective January 1 for Fiscal Year 2019 by multiplying the Rate Agreement Carrier's percentage share (if any) of total Departing International Passengers for all Rate Agreement Carriers from the Terminal by the total amount ofthe Net Duty Free Rent Adjustments for that Terminal.

3 At the time the City completes its final adjustments-to-actual under Section 5.18 ofthe Ordinance, the City shall issue payment to each Rate Agreement Carrier for

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its Net Duty Free Rent Adjustment or, if there is a loss, shall invoice each Rate Agreement Carrier for its share ofthe loss.

7. Net Parking and Ground Transportation Rent Adjustments. The City shall calculate Net Parking and Ground Transportation Rent Adjustments according to the method set forth in this Section 7.

7.1 The City shall calculate the total amount of Net Parking and Ground Transportation Rent Adjustments to be made for Rate Agreement Carriers by computing the sum ofthe following items for each Fiscal Year:

a) *Parking and Ground Transportation Revenue; plus*

b) Interest Income allocable to Parking and Ground Transportation;

minus
minus
minus

c) Capital Costs allocable to Parking and Ground Transportation;

d) O&M Expenses allocable to Parking and Ground Transportation;

e) Required Deposits allocable to Parking and Ground *Transportation; minus*

f) the difference between the Airport-wide Conveyance Requirement calculated in accordance with Section 5.13.1 of the Ordinance and Airport-Wide Conveyance Fees collected by the City.

2 The City shall derive each Rate Agreement Carrier's Net Parking and Ground Transportation Rent Adjustment effective July 1 for Fiscal Year 2018 and effective January I for Fiscal Year 2019 by multiplying the Rate Agreement Carrier's percentage share (if any) of total O&D Passengers for all Rate Agreement Carriers by the total amount of Net Parking and Ground Transportation Rent Adjustments.

3 At the time the City completes its final adjustments-to-actual under Section 5.18 ofthe Ordinance, the City shall issue payment to each Rate Agreement Carrier for its Net Parking and Ground Transportation Rent Adjustment or, if there is a loss, shall invoice each Rale Agreement Carrier for its share ofthe loss.

8. Year-end Debt Service Coverage Credit

If, at Final Accounting, after taking account of the final adjustments-to-actual under Section 5.18 ofthe Ordinance, the amounts of Debt Service Coverage collected by the City together with all other applicable fund balances exceed both (a) the Debt Service Coverage Requirement for the Fiscal Year and (b) the amount needed to demonstrate that the City has at least three hundred (300) Days of Cash on I land at the Airport, then in the Fiscal Year following the Final Accounting, the City shall use any excess amounts to reduce Capital Costs allocable to

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each Cost Center in proportion to the Debt Service allocable to each Cost Center in the Fiscal Year subject to Final Accounting.

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9. Priorities of Use for Net Aeronautical Real Estate Revenues

1 At Final Accounting, the City shall calculate the amount of Net Aeronautical Real Estate Revenues (or losses) remaining at the end of each Fiscal Year by computing the sum Of the following items for each Fiscal Year:

a) *Aeronautical Real Estate Revenue; plus*

b) *Interest Income allocable to Aeronautical Real Estate; minus*

c) *Capital Costs allocable to Aeronautical Real Estate; minus*

d) *O&M Expenses allocable to Aeronautical Real Estate; minus*

e) Required Deposits allocable to Aeronautical Real Estate.

2 The City shall use Net Aeronautical Real Estate Revenues, if any, remaining at the end of each Fiscal Year in the next Fiscal Year according to the following priorities:

a) up to Fifteen Million Dollars ($15,000,000) to fund Capital Improvement Projects allocable entirely to the Airfield; and

b) the remainder, if any, to fund Capital Improvement Projects allocable entirely to the Main Terminal.

10. Priorities of Use for Net Commercial Real Estate Revenues

1 At Final Accounting, the City shall calculate the amount of Net Commercial Real Estate Revenues (or losses) remaining at the end of each Fiscal Year by computing the sum of the following items for each Fiscal Year:

a) *Commercial Real Estate Revenue; plus*

b) *Interest Income allocable to Commercial Real Estate; minus*

c) *Capital Costs allocable to Commercial Real Estate; minus*

d) *O&M Expenses allocable to Commercial Real Estate; minus*

e) Required Deposits allocable to Commercial Real Estate.

2 The City shall use Net Commercial Real Estate Revenues, if any, remaining at the end of each Fiscal Year in the next Fiscal Year according to the following priorities:

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a) to fund Air Service Incentive Programs undertaken pursuant to Section 5.16 ofthe Ordinance;

b) to retain up to Five Million Dollars ($5,000,000) to be used by the City for any lawful purpose; and

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c) the remainder, if any, to be used to fund Capital Improvement Projects allocable entirely to the Main Terminal.

11. City's Termination Rights. The City shall terminate this Agreement with ten

(10) days written notice to Airline if any ofthe following occur:

1 Rate Agreement Carriers which collectively account for at least fifty percent (50%) of both (a) the aggregate Maximum Gross Landed Weight for all aircraft carrying passengers or cargo in commercial service that are not otherwise exempt from paying Landing Fees .that landed at the Airport during the prior Fiscal Year and (b) Enplaned Passengers during the prior Fiscal Year, have executed and delivered to the City airline use and lease agreements that govern their use ofthe Airfield and Terminals in lieu ofthe Ordinance.

2 The City is unable to meet the requirements of the Bond Indenture without terminating all Rate Agreements;

3 Airline fails to execute a Letter of Authorization prior to May 12, 2018 or, if Airline is a new entrant commencing service after May 12, 2018, Airline does not execute a Letter of Authorization contemporaneously with this Agreement.

4 Airline's Letter of Authorization is terminated during the Term of this Agreement; or

I 1.5 The City must terminate the Agreement to comply with any applicable law, regulation or court order.

11.6 In the event that the City terminates the Rate Agreement of all Rate Agreement Carriers under Section 4.3 or Sections 11.1, 11.2 or 1 1.5, the City's obligations under Sections 4 through 10 shall be void, retroactive to the beginning of the current Fiscal Year. In the event that the City terminates the Rate Agreement of an individual Rate Agreement Carrier under Sections 11.3 or 11.4, that Rate Agreement Carrier shall not be eligible for rent adjustments under Sections 5 through 7.

12. Notice and Designation of Agent for Service of Process. All notices, requests,

consents, and approvals served or given under this Agreement shall be served or given in writing

with proof of delivery.

Notices to the City: Chicago Department of Aviation

Commissioner
Chicago Department of Aviation Chicago O'Hare International Airport 10510 West Zemke Road Chicago, IL 60666 [Electronic Mail Address:]

With a copy to:

General Counsel

Chicago Department of Aviation

Chicago O'Hare International Airport

10510 West Zemke Road
Chicago, IL 60666
[Electronic Mail Address:]

Notices to Airline:

Telephone:
Facsimile:
E-Mail:

With a copy to Airline's legal counsel (if designated by Airline):

Telephone:
Facsimile:
E-Mail:

And with a copy to the AAAC Representative:

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Telephone:
Facsimile:
E-Mail:

With respect to Section 13.4, Airline hereby designates as its agent for service of process in Chicago, Illinois:

Telephone:
Facsimile:
E-Mail:

13. Miscellaneous Provisions

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1 Entire Agreement

This Agreement, including the attached exhibits and endorsements, constitutes the entire agreement of the parties on the subject matter hereof. The parties intend that this Agreement shall be the final expression of their agreement with respect to its subject matter, and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever (including prior drafts ofthe Agreement) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

2 Amendment

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

3 Applicable Law

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

4 Authorization to Operate: Consent to Service of Process and Jurisdiction

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

All judicial proceedings brought by the City against Airline with respect to this Agreement may be brought in any court of competent jurisdiction having situs within the boundaries ofthe federal court district of the Northern District of Illinois including any ofthe courts within Cook County, and by execution and delivery of this Agreement, Airline accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction ofthe aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. Airline hereby designates and appoints the representative designated in Section 13 as its agent in Chicago, Illinois to receive on its behalf service of all process in any such proceedings in any such court (which representative shall be available to receive such service during regular business hours), such service being hereby acknowledged by such representative to be effective and binding service in every respect. Said agent may be changed only upon the giving of written notice by Airline to the City ofthe name and address of a new Agent for Service of Process that works within the geographical boundaries ofthe City and is employed by Airline. Airline irrevocably waives any objection (including any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Agreement in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right ofthe City to bring proceedings against Airline in the courts of any other jurisdiction.

5 Severability

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

6 Representatives

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

7 Successors and Assigns

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

8 No Third Party Beneficiaries

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

9 No Waiver

No waiver of default of any ofthe terms, covenants and conditions of this Agreement to be performed, kept and observed by the other party shall be construed or operate as a waiver of any subsequent default of any of the terms, covenants or conditions of this Agreement to be performed, kept and observed by the other party.

10 No Exclusive Right or Remedy

All rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies that may be available to the parties.

11 No Personal Liability

No official, employee or agent of either party shall be charged personally by the other party, its officials, employees or agents, 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 such party's execution or attempted execution, or because of any breach hereof.

12 Headings

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The headings ofthe several sections of this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or intent of any provisions of this Agreement, and shall not be construed to affect in any manner the terms and provisions, or the interpretation or construction, of this Agreement.

13 Counterparts

This Agreement may be executed in one or more counterparts.

14 Agreements with the United States

This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the City and the United States, the execution of which is required to enable or permit the transfer of rights or property to the City for airport purposes, or the expenditure of federal grant funds for Airport improvement, maintenance or development. Airline shall reasonably abide by the requirements of agreements entered into between the City and the United States, and shall consent to amendments and modifications of this Agreement if

required by such agreements or if required as a condition of the City's entry into such -agreements.

13.15 PFC Act and Assurances

a) Airline acknowledges that City has given to the United States of America, acting by and through the FAA, certain assurances set forth in the PFC Act and implementing regulations at 14 C.F.R. Part 158 ("PFC Assurances"), and Airline agrees that this Agreement shall be subordinate and subject to the PFC Assurances.

b) In the event that the FAA or its successors require any modifications or changes in this Agreement as a condition precedent to the collection of PFCs or otherwise complying with the PFC Act, Airline shall not withhold its consent to such amendments, modifications, revisions, supplements or deletions of any ofthe terms, conditions or requirements of this Agreement as may reasonably be required to collect PFCs or comply with the PFC Act. City shall provide Airline with advance written notice of any provisions that would adversely modify material terms of this Agreement.

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EXHIBIT A to the RATE AGREEMENT

COST CENTER DEFINITIONS

"Airfield" means those areas of the Airport that provide for the landing, taking off, taxing and parking of aircraft, and all facilities, equipment and improvements now or hereafter located thereon, including the runways, taxiways, Apron Areas and facilities at the Airport for the purpose of controlling and assisting arrivals, departures and operations of aircraft using the Airport, such as control towers or other facilities operated and maintained by the FAA or any other federal agency, security fences, service roads, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from but related to the rest of the Airfield as all such areas, facilities, equipment and improvements may be modified, improved, or enlarged from time to time by the City.

"Terminal" means Main Terminal and Terminal 5.

> "Main Terminal" means the terminal buildings, associated concourses and facilities, other than the Terminal 5, as all such facilities may be modified, improved, or enlarged from time to time.
>
> "Terminal 5" means the terminal buildings, associated concourses and facilities, designated as Terminal 5, as all such facilities may be modified, improved, or enlarged from time to time.

"Fueling System" means the fuel farm, fuel tanks, fuel hydrants and delivery systems and other facilities and infrastructure related to the fueling system at the Airport.

"Aeronautical Real Estate" means the parcels and other areas of the Airport where aviation support, cargo, hangar and maintenance activities occur, including all roads and facilities serving such areas and associated air rights.

"Commercial Real Estate" means the parcels and others areas ofthe Airport where commercial non-aeronautical activities such as hotel, office, non-terminal retail, public vehicle fueling and charging stations and other real estate development occur, including all roads and facilities serving such areas and associated air rights.

"Parking and Ground Transportation" means all Airport related (a) public parking; (b) employee parking provided by the City; (c) taxi, transportation network, and other ground transportation services; and (d) rental car services at the Airport.

"Consolidated Rental Car Facility" or "CONRAC" means the portion of the joint use facility, roadway, land, and

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equipment that constitutes the consolidated rental car facility at the Airport.