



# Office of the City Clerk

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## Legislation Details (With Text)

**File #:** O2019-9392  
**Type:** Ordinance **Status:** Passed  
**File created:** 12/18/2019 **In control:** City Council  
**Final action:** 1/15/2020  
**Title:** Renewal of lease agreement with United Service Organizations, Inc. (USO) at O'Hare International and Midway International airports  
**Sponsors:** Lightfoot, Lori E.  
**Indexes:** Lease  
**Attachments:** 1. O2019-9392.pdf

Date	Ver.	Action By	Action	Result
1/15/2020	1	City Council	Passed	Pass
1/10/2020	1	Committee on Aviation	Recommended to Pass	
12/18/2019	1	City Council	Referred	

OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT  
MAYOR

December 18, 2019

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

Ladies and Gentlemen:

At the request of the Commissioner of Aviation, I transmit herewith an ordinance authorizing the execution of a lease renewal with the United Service Organization at O'Hare and Midway International Airports.

Mayor

Your favorable consideration of this ordinance will be appreciated.

## ORDINANCE

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

WHEREAS, The City owns and operates through the Chicago Department of Aviation ("Aviation") two airports commonly known as Chicago O'Hare International Airport ("O'Hare") and Chicago Midway International Airport, ("Midway") (collectively, the "Airports") and possesses the power and authority to lease premises and facilities and to grant rights and privileges with respect thereto; and ■

WHEREAS, The Airports provide their employees, airport-tenants' employees, air carrier . passengers and members of the travelling public with many amenities, such as shopping, dining and other recreational amenities; and

WHEREAS, As one of these amenities, the Airports have, since 1969 at O'Hare, and since 1991 at Midway, consistently provided a military lounge for active military personnel and their dependants at the Airports that was previously operated by the United Service Organization of Illinois, which recently merged with the United Service Organization, Incorporated ("USO"), both of which are not-for-profit corporations; and

WHEREAS, The USO's mission is to support active and retired military members and their families in their hometowns, on military bases and in airports; and

WHEREAS, The USO desires to lease space at each of the Airports, as described in Exhibits 1 and 2 attached hereto and incorporated by reference (the "Premises"), for military lounges that will provide comfort to United States active and retired military members and their families while they are travelling through the Airports; and

WHEREAS, The military lounges will offer Wi-Fi access, computer access, snacks, travel assistance, social service information and other resources; and

WHEREAS, The City and the USO desire to enter into Lease and License Agreements (the "License Agreements") providing for the operation of a military lounge at each of the Airports; now therefore,

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

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

SECTION 2. The Commissioner of Aviation ("Commissioner") is hereby authorized to execute License Agreements with the USO for a military lounge at each of the Airports in substantially the forms attached hereto as Exhibits 1 and 2, respectively. .

SECTION 3. The Commissioner, or her designee, is further authorized to enter into and to execute all documents, and perform any and all acts, including promulgation of any

standards, rules or regulations, as shall be necessary or advisable to carry out the purpose and intent of this ordinance and the License Agreements.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the City, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be in full force and effect from the date of its passage and approval.

# EXHIBIT 1

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## LEASE AGREEMENT BETWEEN THE CITY OF CHICAGO AND UNITED SERVICES ORGANIZATIONS, INCORPORATED AT CHICAGO O'HARE INTERNATIONAL AIRPORT

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# **LEASE AND LICENSE AGREEMENT BETWEEN THE CITY OF CHICAGO AND UNITED SERVICE ORGANIZATIONS, INCORPORATED AT CHICAGO O'HARE INTERNATIONAL AIRPORT**

This Lease and License Agreement ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2020 ("Effective Date"), by and between the City of Chicago, an Illinois municipal corporation and home rule unit of local government under Sections 1 and 6(a), respectively, of Article VII of the 1970 Constitution of the State of Illinois ("City"), and United Service Organizations, Incorporated ("USO").

- RECITALS ~

WHEREAS, City owns and operates the airport known as Chicago O'Hare International Airport (the "Airport"), situated in the County of Cook, State of Illinois, with the power to lease premises and facilities and to grant rights and privileges with respect thereto, all as hereinafter provided;

WHEREAS, the USO, or its predecessor organizations, has for over 78 years supported the lives and well-being of U.S. Armed Forces personnel;

WHEREAS, the USO, or its predecessor organizations, has operated at the Airport since 1969 and recently celebrated its 50<sup>th</sup> anniversary at O'Hare;

WHEREAS, since 1969, the United Service Organization of Illinois ("USO of Illinois") has provided supportive services to the military personnel and their families traveling through the Airport; and

WHEREAS, on September 1, 2019, USO of Illinois merged with and into United Services Organizations, Incorporated ("USO") and USO of Illinois ceased to operate as a separate legal entity;

WHEREAS, USO desires to continue to operate at the Airport and lease space at the Airport as described in Exhibit A attached hereto and incorporated by reference (the "Premises") and to obtain certain rights and privileges with respect thereto, all as hereinafter provided;

WHEREAS, City is willing to lease the Premises to USO and to grant certain rights and privileges with respect thereto to USO, upon the terms and conditions hereinafter provided; and

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

## ARTICLE I - INCORPORATION OF RECITALS AND DEFINITIONS

Section 1.01 Incorporation of Recitals. The recitals set forth above are incorporated by reference as though fully set forth herein.

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

"Affiliate" means, except as expressly defined otherwise in a particular provision, a person controlling, controlled by, or under the common control of or in partnership or in other active business with USO.

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"Airport Rules and Regulations" means those rules and regulations governing the conduct and operations of the Airport promulgated from time to time by City.

"Airport Security Acts" means the various acts of the federal government addressing aviation safety and security, as codified in 49 USC '44901 et seq, as amended from time to time, and any regulations promulgated thereunder. Airport Security Acts includes, specifically, without limitation, the Aviation Security Improvement Act of 1990 and Aviation and Transportation Security Act of 2001, as amended, the provisions of which are incorporated in this Agreement by reference, and all rules and regulations promulgated under them.

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

"Contractor" means any supplier of materials, any furnisher of services, any contractor of any tier, and any labor

organization which furnishes skilled, unskilled, and craft union skilled labor, or any other entity which may provide any materials, labor, or services in connection with this Agreement at the direction of or on the behalf of USO.

"Environmental Law" means any law relating to health or the environment, including, without limitation, those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery, compensation, losses or injuries resulting from the release or threatened release of hazardous materials, special wastes or other contaminants into the environment and to the generation, use, storage, transportation, or disposal of solid wastes, hazardous materials, special wastes or other contaminants.

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

"Improvements" means any facilities, structures or other fixtures added to or made on the Premises by USO. Facilities, structures or other fixtures existing within the Premises as of the Effective Date are part of the Premises.

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

"Premises" means those areas designated on Exhibit A hereto, together with any existing facilities, structures or other fixtures located therein.

"Rent" means, unless the context specifically otherwise requires, any amount which USO is obligated to pay the City under this Agreement.

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

"Work" means the furnishing by USO and its Contractors of all labor, materials, equipment, and other incidentals necessary or convenient to the successful completion of Improvements, and the carrying out of all the related duties and obligations under the terms and conditions of this Lease.

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

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

Exhibit A Premises Exhibit B Rent  
Exhibit C Insurance Requirements

## ARTICLE II - PREMISES

Section 2.01 Lease of Premises. City hereby leases to USO, and USO hereby leases from City, the Premises, which are

comprised of 2 facilities as described in Exhibit A. Upon completion of any Improvements constructed from time to time by USO on the Premises, such Improvements shall become property of the City and part of the Premises without need for amendment of this Agreement.

## **Section 2.02 Easements and Rights of Entry.**

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

B. City retains the right to enter upon the Premises at any time without such entering causing or constituting a termination of this Agreement or an interference with the possession of the Premises by USO, and do all things necessary to operate and maintain, electrical, mechanical, HVAC, water and/or sewer systems that may require access through the Premises. The City shall operate and maintain only its water mains and sewer mains, and assumes no responsibility or liability for the operation or maintenance of any sewer or water laterals within the Premises that are used exclusively by USO.

Section 2.03 Permitted Uses of Facilities. USO is hereby granted the use of the Premises, subject to the terms and provisions hereof and to rules and regulations promulgated by City, for any and all activities reasonably necessary or convenient in connection with the uses permitted below. All such permitted uses shall be conducted in compliance with applicable health and safety requirements

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and shall not be conducted in such a manner so as to interfere with the City's operation of the Airport or the benefit of all aircraft using the Airport. USO is permitted to use the Premises for maintaining and operating a lounge facility for active military personnel and their dependents at the Airport.

Section 2.04 Quiet Enjoyment. Subject to the provisions of this Agreement, City covenants that, so long as USO complies with all of its obligations hereunder and is not in default of any of its obligations, USO shall be entitled to and shall have the occupancy, use and enjoyment of the Premises and may exercise the rights and privileges granted to it hereunder; provided, however, that the exercise of such rights and privileges shall be conducted in an orderly and proper manner and shall not otherwise annoy, disturb, or be offensive to others at the Airport. In the event that USO is not in compliance with this Section, at the written request of the Commissioner, USO shall immediately conform the demeanor or conduct of USO or its Contractors and their respective officials, agents, employees, guests, patrons, and invitees accordingly.

Section 2.05 Ingress and Egress. Subject to Airport Rules and Regulations, USO shall have the ' right and privilege of ingress to and egress from the Premises and the public areas of the Airport, for its Contractors, employees, agents, guests, patrons, and invitees.

Section 2.06 Present Condition of Premises. USO, by the execution of this Agreement, accepts the Premises "AS IS". USO shall be responsible for the compliance of the Premises with all applicable federal, state, and local laws, statutes, codes, ordinances, rules, regulations, and orders, including any and all requirements set forth in Article VII hereof. Other than what may be explicitly provided for herein, the City shall have no obligation or responsibility whatsoever to do any work or furnish any improvements of any kind to the Premises or perform any maintenance or repairs on the Premises. CITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES (INCLUDING ANY ENVIRONMENTAL CONDITION) OR THAT THE PREMISES SHALL BE SUITABLE FOR USO'S PURPOSES OR NEEDS. CITY SHALL NOT BE RESPONSIBLE FOR ANY LATENT DEFECT AND USO SHALL NOT, UNDER ANY CIRCUMSTANCES, WITHHOLD ANY RENT OR OTHER AMOUNTS PAYABLE TO CITY HEREUNDER ON ACCOUNT OF ANY DEFECT IN THE PREMISES. BY ITS ENTRY ONTO THE PREMISES, USO ACCEPTS THE PREMISES AS BEING FREE AND CLEAR FROM ALL DEFECTS AND IN GOOD, SAFE, CLEAN, AND ORDERLY CONDITION AND REPAIR. USO waives any and all claims against the City regarding the condition of the Premises which may currently exist or which may arise in the future by contract, at common law, in equity, or under statute, now or then currently in effect, including those which relate to environmental conditions on, under, or near the Premises; provided, however, that such waiver does not extend to (I) USO's right to contribution from the City as may be provided



under any Environmental Law, and (ii) fines and penalties for which the City would be liable, and USO would not be liable, under any Environmental Law.

Section 2.07 Accessibility. USO shall have the responsibility to ensure that the Premises are in compliance with applicable provisions of the Americans with Disabilities Act and other applicable laws and regulations governing access. If any action is necessary to achieve compliance, USO shall submit a plan for achieving such compliance to the Commissioner within thirty (30) days of execution of this Agreement by USO.

Section 2.08 Covenant Against Waste. USO will not do or permit or suffer any waste, damage, impairment or injury to or upon the Premises or any part thereof.

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Section 2.09 Signs. The number, general type, size, design, and location of any signs installed by USO on the Premises shall be subject to the prior written approval of the Commissioner. USO is responsible for obtaining all other necessary permits.

**Section 2.10 Removal of USO's Property.**

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

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

**ARTICLE III - TERM**

Section 3.01 Term. The term of this Agreement ("Term") shall be for the period commencing on the Effective Date and terminating on the third anniversary thereof, with two (1) year extensions, available solely at the Commissioner's discretion, unless sooner terminated in accordance with the provisions set forth in this Agreement.

Section 3.02 Early termination. The City may terminate this Agreement, for all or a portion of the Premises, by 60 days prior written notice to USO.

**ARTICLE IV - RENT**

Section 4.01 Rent. In consideration of this Agreement for lease of the Premises, USO shall pay Rent to the City in the amount set forth in Exhibit B.

Section 4.02 Method and Manner of Payment USO shall, on or before the first day of January, during the term of this Agreement, pay to City, at the office of the City Comptroller, 121 N. LaSalle; 7<sup>th</sup> Floor, Chicago, Illinois 60602, or to such other place or person as City may direct USO by written notice, the annual payment for use of the Premises.

Section 4.03 Utilities. USO shall not be responsible for payment of all costs of separately metered utilities for the

Premises, including, but not limited to, natural gas, water, sewer and electricity furnished to the Premises.

Section 4.04 Permits, Licenses. USO shall be responsible for obtaining, at its own expense, all necessary governmental approvals, inspections, permits, or licenses needed in connection with the Premises, any business conducted thereon, or any Work performed thereon.

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**ARTICLE V- CONSTRUCTION, MAINTENANCE & REPAIR**

Section 5.01 Improvements. USO may from time to time construct or install in the Premises, at its own expense, Improvements, including facilities and equipment, and any additions thereto, reasonably necessary in connection with any use permitted under the provisions of this Agreement, subject to the prior written approval of the Commissioner. USO shall submit the plans and specifications for any Improvements to the City for the Commissioner's approval pursuant to Section 5.02 no later than 180 days prior to the date that USO desires to commence construction. Commencement of the Improvements shall not occur prior to receipt of the Commissioner's approval for the plans and specifications and receipt of all necessary permits and insurance coverages. USO shall thereafter diligently pursue construction of the Improvements until fully completed in a condition reasonably acceptable to City.

**Section 5.02 Construction Requirements.**

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

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

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

D. Nothing herein is intended nor shall it be construed to provide any limitation, upon USO's

obligation to comply with the terms and conditions of this Agreement. No City review or approval of any act of USO or document provided by USO, including, but not limited to, plans and specifications, shall in any way serve to attenuate, diminish or otherwise limit USO's obligations hereunder, nor shall

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any such review or approval constitute a waiver by the City of any non-compliance with the terms and conditions of this Agreement.

Section 5.03 Title. City and USO mutually agree that any Improvements constructed on the Premises shall become and remain the property of City upon their completion.

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

**Section 5.05 Ordinary Maintenance and Repair.**

A. USO acknowledges and agrees that the maintenance of the Premises by USO is an essential condition of this Agreement, and USO agrees to perform or cause to be performed all necessary preventive maintenance, repairs, replacements and improvements to the Premises at USO's sole cost and expense. USO shall at all times:

1. Keep the Premises and all Improvements and personal property in a clean, safe, and orderly condition and appearance and, to the extent that USO does not use its own employees, engage reputable janitorial, engineering and pest control contractors;

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

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

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

**Section 5.06 Restoration Necessitated by Casualty.**

Any damage or destruction is herein referred to as a "Casualty". In the event of a Casualty, this Lease shall terminate effective on the date of the Casualty.

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

Section 6.01 Regulating the Airport; Airport Operation. City reserves the right to regulate, police and further develop, improve, reconstruct, modify or otherwise alter the Airport in City's sole discretion. City reserves the right, but shall not be obligated to USO, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport. City shall not have any obligation to continue to operate the Airport or any part as an airport for passenger or freight air transportation or at any particular level of operation and may at any time limit or discontinue use of

the Airport or any means of access to or within the Airport in whole or in part. This provision shall not be interpreted to grant a right to limit or discontinue means of access to the Premises by USO from outside the Airport from dedicated public streets.

Section 6.02 Other Governmental Functions. Nothing contained herein shall impair the right of City to exercise its governmental functions outside of its role as Airport sponsor, including but not limited to requiring USO to pay any tax or inspection fees or to procure necessary permits or licenses.

## ARTICLE VII SPECIAL CONDITIONS

Section 7.01 Compliance with All Laws. USO shall comply with all applicable federal, state, and -local laws, codes, regulations, ordinances, rules, and orders (collectively, "Laws"), including without limitation such Laws as are listed below; provided, however, that USO may, without being considered to be in breach hereof, contest any such Laws so long as such contest is in good faith, is diligently commenced and prosecuted by USO, and does not jeopardize the health or safety of persons at the Airport or Airport operations. Any Law that is applicable to this Agreement, but that is not expressly mentioned herein, shall be deemed to be included by reference.

A. Anti-Scofflaw. USO hereby represents and warrants and shall cause each of its Contractors to represent and warrant, that USO or such Contractors, as the case may be, is not in violation of Section 2-92-380 of the Municipal Code.

B. Ethics. USO hereby represents and warrants and shall cause each of its Contractors to represent and warrant that USO or such Contractors, as the case may be, is not in violation of Chapter 2-156 of the Municipal Code.

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

D. Americans with Disabilities Act. Any and all Improvements must be designed and built in compliance with all applicable federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P.L. 101-336 (1990), 42 U.S.C. 12101 et seq. and the Uniform Federal Accessibility Guidelines for Buildings and Facilities and the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq. (1991), and the regulations promulgated thereto at 71 Ill. Admin. CodeCh. 1, Sec. 400.110. In the event that the above-cited standards are inconsistent, USO shall comply with the standard providing greater accessibility.

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

F. Business Relationships with Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code, it is illegal for any elected official of the 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 Section 2-156-030(b) by any elected official with respect to this Agreement is grounds for termination of this Agreement. The term "business relationship", is defined

as set forth in Section 2-156-080 of the Municipal Code 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: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any 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; (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from, an insurance company. A "contractual or other private business dealing" shall not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

**G. Non-discrimination.**

1) Federal Requirements. It shall be an unlawful employment practice for USO (a) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap, or national origin; or (b) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, age, handicap, or national origin. USO shall comply with The Civil Rights Act of 1964, 42 U.S.C. sec. 2000 et seq. (1981), as amended. Attention is called to: Exec. Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000(e) note, as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. sec. 6101-6106 (1981); Rehabilitation Act of 1973, 29 U.S.C. sec. 793794 (1981); Americans with Disabilities Act, P.L. 101-336; and 41 C.F.R. Part 60, et seq. (1990).

2) State Requirements. USO shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101, et seq., as amended, and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity Clause, 44 Ill. Admin. Code 1750 Appendix A. Furthermore, USO shall comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 et seq., as amended.

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

H. Affirmative Action Program. USO assures that it will undertake an affirmative action program which sets forth all applicable Federal standards as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, age, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part

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152, Subpart E. USO assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. USO assures that it will require that its covered suborganizations provide assurances to USO that they similarly will undertake an affirmative action program and that they will require assurances from their organizations, as required by 14 C.F.R., Part 152, Subpart E, to the same effect.

1. Office of Compliance. It is the duty of USO and its officers, directors, agents, partners and employees to abide by the provisions of Chapter 2-26 of the Municipal Code and to cooperate with the City's Office of Compliance in any investigation or audit undertaken pursuant to Chapter 2-26 of the Municipal Code.

**Section 7.02 Environment**

A. Compliance with Environmental Laws. USO shall comply with all Environmental Laws with respect to the Premises. In addition to the indemnifications set forth elsewhere in this Agreement, USO hereby indemnifies and agrees to defend and

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

## ARTICLE VIII - AIRPORT MATTERS

Section 8.01 Airport Rules and Regulations. USO shall observe and obey all Airport rules and regulations governing the conduct and operations of the Airport, promulgated from time to time by City.

Section 8.02 Federal Legal Requirements. USO shall comply, and shall cause its Contractors to comply, with all applicable federal laws, codes, regulations, ordinances, rules, directives, assurances and orders applicable to operations at airports including, but not limited to, the following:

A. As a part of the consideration of this Agreement, USO for itself, its heirs, personal representatives, successors in interest, and assigns, must maintain and operate the facilities and services in compliance with all other requirements imposed under 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the Regulations may be amended. (49 C.F.R. Part 21 - DOT Title VI Assurance - AC 150/5100-15A), if facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits.

B. USO for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration of this Agreement, covenants as a covenant running with the land that: (1) no

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person on the grounds of race, color, or national origin will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in the use of the facilities; (2) in the construction of any improvements on, over, or under the land and the furnishing of services on them, no person on the grounds of race, color, or national origin will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination; and (3) USO will use the Premises in compliance with all other requirements imposed by or under 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the Regulations may be amended. (49 C.F.R. Part 21 - DOT Title VI Assurance - AC 150/5100-15A)

C. USO must furnish service on a fair, equal, and not unjustly discriminatory basis to all users of it, and to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, but USO is allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. (Grant Assurance 22)

D. USO assures that it will comply with pertinent statutes, Executive Orders and the rules as are promulgated to assure that no person will, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefitting from<sup>1</sup> federal assistance. This provision obligates USO or its transferee for the period during which federal assistance is extended to the Airport program, except where federal assistance is to provide, or is in the form of personal property or real property or interest in them or structures or improvements thereon. In these cases, this provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the City or any transferee for a purpose for which federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the City or any transferee retains ownership or possession of the property. In the case of contractors, this

provision binds the contractors from the bid solicitation period through the completion of the contract. (AAIA of 1982, section 520 - AC 150/5100-15A)

E. USO will practice nondiscrimination in its activities.

F. . USO must insert the above 5 provisions in any agreement by which USO grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises. (See the documents referenced for the above clauses)

Section 8.03 Other Airport Agreements. USO's use and occupancy of the Premises shall be and remain subject to any use agreement heretofore or hereafter executed by the City with airlines operating at the Airport and any ordinance or indenture, or both, authorizing bond anticipation notes or bonds or other obligations adopted by the City Council of the City authorizing the issuance of notes, bonds or other obligations for the Airport and securing such obligations by a pledge of revenues or net revenues of the Airport and any ordinance or indenture supplemental thereto, which shall also include any master indenture.

#### **Section 8.04 Airport Security Acts.**

A. This Agreement is expressly subject to the requirements of the Airport Security Acts, the provisions of which govern airport security and are incorporated by reference, including without limitation the rules and regulations promulgated under them. USO is subject to, and further must conduct with respect to its Contractors and the respective employees of each, such employment investigations, including criminal history record checks, as the Commissioner, the TSA or the FAA may deem necessary. Further, in the event of any threat to civil aviation, as defined in the Airport Security Acts, USO must promptly report any information in accordance with those regulations

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promulgated by the United States Department of Transportation, the TSA and by the City. USO must, notwithstanding anything contained in this Agreement to the contrary, at no additional cost to the City, perform under this Agreement in compliance with those guidelines developed by the City, the TSA and the FAA with the objective of maximum security enhancement. Any drawings, plans, and specifications provided by USO under this Agreement must comply with those guidelines for airport security developed by the City, the TSA and the FAA and in effect at the time of their submission.

B. Further, USO must comply with, and require compliance by its Contractors and business invitees, with all present and future laws, rules, regulations, or ordinances promulgated by the City, the TSA or the FAA, or other governmental agencies to protect the security and integrity of the Airport, and to protect against access by unauthorized persons. Subject to the approval of the TSA, the FAA and the Commissioner, USO must adopt procedures to control and limit access to the Airport and the Premises by USO and its Contractors and business invitees in accordance with all present and future City, TSA and FAA laws, rules, regulations, and ordinances. At all times during the Term, USO must have in place and in operation a security program for the Premises that complies with all applicable laws and regulations.

C. Gates and doors located on the Premises and controlled by USO that permit entry into restricted areas at the Airport must be kept locked by USO at all times when not in use or under USO's constant security surveillance. Gate or door malfunctions must be reported to the Commissioner or the Commissioner's designee without delay and must be kept under constant surveillance by USO until the malfunction is remedied.

D. In connection with the implementation of its security program, USO may receive, gain access to or otherwise obtain certain knowledge and information related to the City's overall Airport security program. USO acknowledges that all such knowledge and information is of a highly confidential nature. USO covenants that no person will be permitted to gain access to such knowledge and information, unless the person has been approved by the TSA or the Commissioner in advance in writing. .USO further must indemnify, hold harmless and defend the City and other users of the Airport from and against any and all claims, reasonable costs, reasonable expenses, damages and liabilities, including all reasonable attorney's fees and costs, resulting directly or indirectly from the breach of USO's covenants and agreements as set forth in this section.

## ARTICLE IX- CITY'S RIGHT TO PERFORM USO's OBLIGATIONS

Section 9.01 City's Right to Perform USO's Obligations. In the event that USO fails to perform any of its obligations under this Agreement, the City may, but is not obligated to, after written notice to USO and without waiving or releasing USO from any of its obligations hereunder, make any payment or perform any other act which USO is obligated to make or perform under this Agreement in such manner and to such extent as City may deem desirable; and in so doing City shall also have the right to enter upon the Premises, for any purpose reasonably necessary in connection therewith and to pay or incur any other necessary and incidental costs and expenses, including reasonable attorneys' fees. All sums so paid and all liabilities so incurred by City, shall be deemed additional Rent hereunder and shall be payable to City upon demand as additional Rent. City shall use reasonable efforts to give prior notice, which may be oral, of its performance, if reasonably feasible under the circumstances.

City shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business or other damage to USO or any other occupant of the Premises or any part thereof, by reason of

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making repairs or the performance of any work on the Premises of on account of bringing materials, supplies and equipment into or through the Premises during the course thereof and the obligations of USO under this Lease shall not thereby be affected in any manner. In doing so, however, City shall use reasonable efforts not to interfere with USO's operations.

## ARTICLE X INSURANCE AND INDEMNITY

Section 10.01 Required Insurance Coverage. USO shall provide and maintain at all times, at USO's own expense during the term of the Agreement (and during any period subsequent to the expiration of the Term if USO is required to return to perform Work or perform any activities to comply with any Environmental Law), the type of insurance specified in Exhibit C, with insurance companies authorized to do business in the State of Illinois, covering all operations under this Agreement, whether performed by USO, its Contractors or business invitees.

### Section 10.02 Additional Obligations of USO Regarding Insurance

A. USO will furnish the Commissioner with original Certificates of Insurance evidencing the coverage required to be in force on the date of this Agreement, and renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. USO shall submit evidence of insurance required for USO's use of the Premises on the City of Chicago insurance certificate of coverage form prior to the execution of the Agreement by the City. USO shall submit evidence of insurance required for any Work on the Premises prior to the commencement of Work. The City's receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of this Agreement. The failure of the City to obtain certificates or other evidence of insurance from USO shall not be deemed to be a waiver by the City. USO shall advise all of its insurers of the provisions of this Agreement pertaining to insurance. Non-conforming insurance shall not relieve USO of its obligation to provide the insurance specified herein. Nonfulfillment of the insurance conditions may constitute a material breach of the Agreement, and the City retains the right to suspend the Agreement or the Work until proper evidence of insurance is provided, or terminate the Agreement.

B. All insurance policies shall provide for sixty (60) days written notice to City prior to the effective date of any change, cancellation, or termination of such coverage.

C. Any and all deductibles or self-insured retentions on referenced insurance coverages shall be borne by USO.

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



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

F. USO hereby waives, and shall cause each of its Contractors to waive, its rights of subrogation against City, including City's appointed and elected officials, agents, and employees. Inasmuch as this waiver will preclude the assignment of any claim by subrogation to an insurance company, USO

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agrees to do the following and cause each Contractor to do the following: to give to each insurance company which has issued, or in the future may issue, to it policies of physical damage insurance, written notice of the terms of this waiver, and to have said insurance policies properly endorsed, to prevent the invalidation of said insurance coverage by reason of said waiver.

G. USO expressly understands and agrees that any insurance maintained by City shall apply in excess of and not contribute with insurance provided by USO or its Contractors under this Agreement.

H. USO shall not do or permit to be done anything, either by act or failure to act, which shall cause cancellation of any policy of insurance required hereunder or any policy maintained by City:

I. The required insurance shall not be limited by any limitations expressed in the indemnification

language herein or any limitation imposed by law upon any indemnification provided herein.

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

Section 10.03 Indemnity. USO agrees to protect, defend, indemnify, keep, save and hold the City, its officers, officials, employees and agents (collectively "Indemnified Parties") free and harmless from and against any and all liabilities, losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind, nature and character arising out of or relating to any and all claims, liens, demands, obligations, actions, suits, judgments or settlements, proceedings or causes of action of every kind, nature and character (collectively "Claims") in connection with or arising directly or indirectly out of the performance or failure to perform hereunder by USO, its officials, agents, employees, and subcontractors, including but not limited to, the enforcement of this indemnification provision. Without limiting the foregoing, any and all such Claims relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copyright or of any other tangible or intangible personal property right, actual or alleged employment discrimination or wrongful discharge, or any actual or alleged violation of any applicable statute, ordinance, order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. The foregoing indemnity provision excludes the negligence of the Indemnified Parties to the extent prohibited by 740 ILCS 35/1 et seq. (Construction Contract for Indemnification Act) and/or 740 ILCS 150/0.01 et seq. (Structural Work Act), respectively. USO further agrees to investigate, handle, respond to, provide defense for and defend all suits for any and all Claims, at its sole expense and agrees to bear all other costs and expenses related thereto, even if the Claims are considered groundless, false or fraudulent.

To the extent permissible by law, USO waives any limits to the amount of its obligations to indemnify, defend or contribute to any sums due under any losses, including any claim by an employee of Contractor that may be subject to the Workers Compensation Act, 820 ILCS 305/1 et seq or any other law or judicial decision (such as, Kotecki v. Cyclops Welding Corporation, 146 Ill. 2d 155 (1991)). The City, however, does not waive any limitations it may have on its liability under the Illinois Pension Code.

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

other Sections in this Agreement. Further, the indemnities contained in this Section shall survive the expiration or termination of this Agreement.

#### **Section 10.04 Release of City.**

A. The City shall not be liable to USO, to USO's Contractors or to their respective agents, invitees or employees for (1) any injury to, or death of, any of them or of any other person, (2) for any damage to any personal property, or (3) for loss of revenue, that is caused by any third person in the maintenance, construction, or operation of facilities at the Airport, or that is caused by City operating and maintaining the Airport or any third person using the Airport or navigating any aircraft on or over the Airport, except where there has been a final determination by a court of competent jurisdiction that any such injury, death, or damage is due to the negligence or willful misconduct of City, and then only to the extent USO or any of the above described parties is not covered by insurance.

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

Section 10.05 Limitation on City Liability. No official, employee, or agent of City shall be charged personally by USO, or by any assignee or contractor of USO, with any liability or expenses of defense, or be held personally liable to them under any term or provision of this Agreement, or because of City's execution or attempted execution hereof, or because of any breach hereof. USO (and any person claiming by or through USO) shall look solely to legally available Airport discretionary funds from time to time up to the maximum limit of \$10,000 ("Maximum Limit:") for any claims against the City arising under this Agreement. The Maximum Limit shall be an aggregate limit over the term of this Agreement and shall be reduced by any prior payments or credits by City on account of a breach or default (or alleged breach or default) made with respect to the Premises. The foregoing exculpation of liability for City officials, employees and agents and the foregoing limitation on liability of the City itself shall be absolute to the full extent permitted by law and without any exception whatsoever.

Section 10.06 Survival Beyond Termination of this Agreement. USO's obligations under this Article X shall survive the termination of this Agreement.

### **ARTICLE XI - TRANSFERS AND CHANGES IN OWNERSHIP**

Section 11.01 USO's Right to Transfer. USO covenants that it will not assign, sublet, subcontract, transfer, convey, sell, mortgage, pledge, or encumber its interests in the Premises (or any part thereof) or any rights or interest of USO in this Agreement nor otherwise allow the use of the Premises by any other person (any of the foregoing events being referred to as a "Transfer"), without obtaining authorization from City.

Section 11.02 City Right to Transfer. The City reserves the right to transfer all or any part of its interests hereunder.

### **ARTICLE XII GENERAL CONDITIONS**

Section 12.01 Entire Agreement. This Agreement, and the exhibits attached hereto and incorporated hereby, shall constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this Agreement that are not expressly addressed herein and therein.

Section 12.02 Counterparts. This Agreement is comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

Section 12.03 Amendments. No changes, amendments, modifications, cancellation, or discharge of this Agreement, or any part thereof, shall be valid unless in writing and signed by the parties hereto, or their respective successors and assigns.

Section 12.04 Severability.. If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law, or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

Section 12.05 No Partnership or Agency. Nothing herein contained as intended or shall be construed to in any respect create or establish any relationship other than that of lessor and lessee, and nothing herein shall be construed to establish any partnership, joint venture, or association or to make USO the general representative or agent of City for any purpose whatsoever.

Section 12.06 Representatives. City and USO shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for City and USO, respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. Except as specifically otherwise, set forth herein, for the purposes of actions to be taken by it or by the Commissioner, City's representative shall be the Commissioner and any consents and approvals to be given by City shall be made by the Commissioner. USO's representative shall be designated in a written notice delivered to City. Any party hereto may change its designated representative by written notice.

Section 12.07 Assigns. All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, transferees, and assigns.

Section 12.08 Force Majeure. Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including, without limiting the generality hereof, strikes, boycotts, picketing, slow-downs, work stoppages, or other labor actions affecting City or USO or their respective Contractors, except to the extent that such failure, delay or interruption is the result of the negligence of that party; provided that nothing in this Section is intended or shall be construed to abate, postpone, or in any respect diminish USO's obligations to make any payments due City pursuant to this Agreement.

USO shall not be liable for the performance of any obligation of USO hereunder if such performance is prohibited or materially affected by the issuance of any order, rule, or regulation, or the taking of any action by the Federal Aviation Administration or other government authority substantially affecting

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for a period of at least sixty (60) days USO's use of the Airport, provided, however, that none of the foregoing is due to any fault of USO.

Section 12.09 Governing Law. This Agreement shall be governed in accordance with the laws of the State of Illinois. USO hereby irrevocably submits, and shall cause its subcontractors to submit, to the original jurisdiction of those State or Federal courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. USO agrees that service of process on USO may be made, at the option of City, either by registered or certified mail addressed to the applicable office as provided for, in this Agreement, by registered or certified mail addressed to the office actually maintained by USO, or by personal delivery on any officer, director, or managing or general agent of USO.

Section 12.10 Consent to Service of Process and Jurisdiction. All judicial proceedings brought by USO with respect to

this Agreement shall be brought in Cook County, Illinois, and by execution and delivery of this Agreement, USO accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. USO irrevocably waives any objection (including without limitation 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 of City to bring proceedings against USO in the courts of any other jurisdiction.

Section 12.11 Notices. Any notices or other communications pertaining to this Agreement shall be in writing and shall be deemed to have been duly given by a party if sent by nationally recognized commercial overnight courier or registered or certified mail, return receipt requested, postage prepaid and addressed to the other party. Notices shall be deemed given on the date of receipt if by personal service, or one day after deposit with a nationally recognized commercial overnight courier, three days after deposit in the U.S. mails, or otherwise upon refusal of receipt. All notices or communications intended for USO shall be addressed to:

Alan Reyes  
Chief Operating Officer  
USO, Inc.  
2111 Wilson Blvd.  
Suite 1200  
Arlington VA 22201

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

Commissioner  
Chicago Department of Aviation City of Chicago  
O'Hare International Airport Aviation Administration  
Building 10510 W Zemke Road

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Chicago, Illinois 60666

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

Section 12.12 City's Authority. This Agreement is authorized by an Ordinance passed by City of Chicago City Council on \_\_\_\_\_, 2010, (C.J.P. \_\_\_\_\_). Except as expressly provided otherwise, wherever this Agreement provides that an act is to be taken or performed, or approval or consent is to be given by City, such act may be taken or performed, or approval or consent may be given, by the Commissioner, without further action by the City Council of Chicago, as long as such act, approval or consent does not result in either (I) an extension of the Term (beyond any permitted renewals), (ii) a decrease in the Rent other than such decreases expressly provided for herein, or (iii) expansion of the Premises; provided, -however, that non-material changes may be made to the boundaries of the Premises to conform to a survey. The Commissioner may execute an amendment to the Agreement provided that he or she is authorized to take or perform the act, or provide the consent or approval, giving rise to such amendment.

Section 12.13 USO's Authority. Execution of this Agreement by USO is authorized by corporate resolution, and the signatures of each person signing on behalf of USO have been made with complete and full authority to commit USO to all terms and conditions of this Agreement, including each and every representation, certification, and warranty contained herein, attached hereto and collectively incorporated by reference herein, or as may be required by the terms and

conditions hereof.

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the Effective Date.

**CITY OF CHICAGO**

Jamie L. Rhee Commissioner

**United Service Organizations, Incorporated**

• By: \_\_\_\_\_ :

Title:

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**EXHIBIT A THE PREMISES**

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EXHIBIT B PAYMENT



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The USO, a not-for-profit corporation, shall pay rent of \$10.00 annually to the City of Chicago for operation of the lounge facility for active military personnel and their dependents.

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EXHIBIT C INSURANCE REQUIREMENTS

Chicago Department of Aviation USO Terminal 2 - Lounge Area  
Lease Agreement Chicago O'Hare International Airport

Tenant must provide and maintain at Tenant's own expense during the term of the Lease and during the time period following expiration or termination if Tenant is required to return to the Premises and perform any additional work or Services or Additional Services, and until each and every obligation of the Tenant contained in this Lease has been fully performed, the insurance coverage and requirements specified below, insuring all operations related to the Lease.

A.. INSURANCE TO BE PROVIDED BY TENANT 1) Workers

Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Lease and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$5,000,000 per occurrence for bodily injury, personal injury, and property damage liability Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense, medical payments and contractual liability (not to include Endorsement CG.21 39 or equivalent).

The City of Chicago is to be named as an additional insured under the Tenant's and any subcontractor's policy. Such additional insured coverage shall be provided on ISO form CG 2010 for ongoing operations or on a similar additional insured form acceptable to the City. The additional insured coverage must not have any limiting endorsements or language under the policy such as, but not limited to, Tenant's sole negligence or the additional insured's vicarious liability. Tenant's liability insurance shall be primary, without right of contribution by any other insurance or self-insurance maintained by or available to the City. Tenant must ensure that the City is an additional insured on insurance required from subcontractors.

3) Automobile Liability (Primary and Umbrella)

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

4) Property

Tenant is responsible for all loss or damage to City of Chicago airport property at

Tenant is responsible for all loss or damage to personal property (including but not limited to material, equipment, tools, contents and supplies), owned, rented, or used by Tenant.

### **C. ADDITIONAL REQUIREMENTS**

The Tenant must furnish the City of Chicago, Department of Aviation, 10510 W. Zemke Road, 60666, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Lease, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Lease. The Tenant must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to execution of Lease. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with all Lease requirements. The failure of the City to obtain certificates or other insurance evidence from Tenant is not a waiver by the City of any requirements for the Tenant to obtain and maintain the specified coverages. The Tenant shall advise all insurers of the Lease provisions regarding insurance. Non-conforming insurance does not relieve Tenant of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Lease, and the City retains the right to stop work until proper evidence of insurance is provided, or the Lease may be terminated.

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

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Tenant.

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

The coverages and limits furnished by Tenant in no way limit the Tenant and the Tenant's liabilities and responsibilities specified within the Lease or by law.

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

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

If the Tenant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

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

The Tenant must require all subcontractors to provide the insurance required herein, or Tenant may provide the coverages for subcontractors. All subcontractors are subject to the same insurance requirements of Tenant

unless otherwise specified in this Lease. Tenant must ensure that the City is an additional insured on Endorsement CG 2010 of the insurance required from subcontractors.

If Tenant or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Lease to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

# EXHIBIT 2

## LEASE AGREEMENT BETWEEN THE CITY OF CHICAGO AND UNITED SERVICES ORGANIZATIONS, INCORPORATED AT CHICAGO MIDWAY INTERNATIONAL AIRPORT

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**LEASE AND LICENSE AGREEMENT BETWEEN THE CITY OF CHICAGO AND  
UNITED SERVICE ORGANIZATIONS, INCORPORATED AT CHICAGO MIDWAY  
INTERNATIONAL AIRPORT**

■ This Lease and License Agreement-("Agreement") is. made and entered into as of the day of , 2020 ("Effective Date"), by and between the City of Chicago, an Illinois municipal corporation and home rule unit of local government under Sections 1 and 6(a), respectively, of Article VII of the 1970 Constitution of the State of Illinois ("City"), and United Service Organizations, Incorporated ("USO").

**RECITALS**

WHEREAS, City owns and operates the airport known as Chicago Midway International .Airport (the "Airport"), situated in the County of Cook, State of Illinois, with the power to lease premises and facilities and to grant rights and privileges with respect thereto, all as hereinafter provided; and •

WHEREAS, the USO, or its predecessor organizations, has for over 78 years supported the lives and well-being of U.S. Armed Forces personnel; and

WHEREAS, the USO, or its predecessor organizations, has operated at the Airport since 1991; and

WHEREAS, since 1991, the United Service Organization of Illinois ("USO of Illinois") has provided supportive services to the military personnel and their families traveling through the Airport; and

WHEREAS, on September 1, 2019, USO of Illinois merged with and into United Services Organization, Incorporated ("USO") and USO of Illinois ceased to operate as a separate legal entity; and

WHEREAS, USO desires to continue to operate at the Airport and lease space at the Airport .as described in Exhibit A attached hereto and incorporated by reference (the "Premises") and to obtain certain rights and privileges with respect thereto, all as hereinafter provided;

WHEREAS, City is willing to lease the Premises to USO and to grant certain rights and privileges with respect thereto to USO, upon the terms and conditions hereinafter provided; and

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

**ARTICLE I - INCORPORATION OF RECITALS AND DEFINITIONS**

Section 1.01 Incorporation of Recitals. The recitals set forth above are incorporated by reference as though fully set forth herein.

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



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"Affiliate" means, except as expressly defined otherwise in a particular provision, a person controlling, controlled by, or under the common control of or in partnership or in other active business with USO.

"Airport Rules and Regulations" means those rules and regulations governing the conduct and operations of the Airport promulgated from time to time by City.

"Airport Security Acts" means the various acts of the federal government addressing aviation safety and security, as codified in 49 USC ' 44901 et seq, as amended from time to time, and any regulations promulgated thereunder. Airport Security Acts includes, specifically, without limitation, the Aviation Security Improvement Act of 1990 and Aviation and Transportation Security Act of 2001, as amended, the provisions of which are incorporated in this Agreement by reference, and all rules and regulations promulgated under them.

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

"Contractor" means any supplier of materials, any furnisher of services, any contractor of any tier, and any labor organization which furnishes skilled, unskilled, and craft union skilled labor, or any other entity which may provide any materials, labor, or services in connection with this Agreement at the direction of or on the behalf of USO.

"Environmental Law" means any law relating to health or the environment, including, without limitation, those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery, compensation, losses or injuries resulting from the release or threatened release of hazardous materials, special wastes or other contaminants into the environment and to the generation, use, storage, transportation, or disposal of solid wastes, hazardous materials, special wastes or other contaminants.

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

"Improvements" means any facilities, structures or other fixtures added to or made on the Premises by USO. Facilities, structures or other fixtures existing within the Premises as of the Effective Date are part of the Premises.

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

"Premises" means those areas designated on Exhibit A hereto, together with any existing facilities, structures or other fixtures located therein.

"Rent" means, unless the context specifically otherwise requires, any amount which USO is obligated to pay the City under this Agreement.

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

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"Work" means the furnishing by USO and its Contractors of all labor, materials, equipment, and other incidentals necessary or convenient to the successful completion of Improvements, and the carrying out of all the related duties and obligations under the terms and conditions of this Lease.

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

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

Exhibit A Premises Requirements  
Exhibit B Rent  
Exhibit C Insurance

## ARTICLE II - PREMISES

Section 2.01 Lease of Premises. City hereby leases to USO, and USO hereby leases from City, the Premises as described in Exhibit A. Upon completion of any Improvements constructed from time to time by USO on the Premises, such Improvements shall become property of the City and part of the Premises without need for amendment of this Agreement. USO shall upon final build-out of the space occupy an additional 900 square feet as shown on Exhibit A.

### Section 2.02 Easements and Rights of Entry.

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

B. City retains the right to enter upon the Premises at any time without such entering causing or constituting a termination of this Agreement or an interference with the possession of the Premises by USO, and do all things necessary to operate and maintain, electrical, mechanical, HVAC, water and/or sewer systems that may require access through the Premises. The City shall operate and maintain only its water mains and sewer mains, and assumes no responsibility or liability for the operation or maintenance of any sewer or water laterals within the Premises that are used exclusively by USO.

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Section 2.03 Permitted Uses of Facilities. USO is hereby granted the use of the Premises, subject to the terms and provisions hereof and to rules and regulations promulgated by City, for any and all activities reasonably necessary or convenient in connection with the uses permitted below. All such permitted uses shall be conducted in compliance with applicable health and safety requirements and shall not be conducted in such a manner so as to interfere with the City's operation of the Airport or the benefit of all aircraft using the Airport. USO is permitted to use the Premises for maintaining and operating a lounge facility for active military personnel and their dependents at the Airport.

Section 2.04 Quiet Enjoyment. Subject to the provisions of this Agreement, City covenants that, so long as USO complies with all of its obligations hereunder and is not in default of any of its obligations, USO shall be entitled to and shall have the occupancy, use and enjoyment of the Premises and may exercise the rights and privileges granted to it hereunder; provided, however, that the exercise of such rights and privileges shall be conducted in an orderly and proper manner and shall not otherwise annoy, disturb, or be offensive to others at the Airport. In the event that USO is not in compliance with this Section, at the written request of the Commissioner, USO shall immediately conform the demeanor or

conduct of USO or its Contractors and their respective officials, agents, employees, guests, patrons, and invitees accordingly.

Section 2.05 Ingress and Egress. Subject to Airport Rules and Regulations, USO shall have the right and privilege of ingress to and egress from the Premises and the public areas of the Airport, for its Contractors, employees, agents, guests, patrons, and invitees.

Section 2.06 Present Condition of Premises. USO, by the execution of this Agreement, accepts the Premises "AS IS". USO shall be responsible for the compliance of the Premises with all applicable federal, state, and local laws, statutes, codes, ordinances, rules, regulations, and orders, including any and all requirements set forth in Article VII hereof. Other than what may be explicitly provided for herein, the City shall have no obligation or responsibility whatsoever to do any work or furnish any improvements of any kind to the Premises or perform any maintenance or repairs on the Premises. CITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES (INCLUDING ANY ENVIRONMENTAL CONDITION) OR THAT THE PREMISES SHALL BE SUITABLE FOR USO'S PURPOSES OR NEEDS. CITY SHALL NOT BE RESPONSIBLE FOR ANY LATENT DEFECT AND USO SHALL NOT, UNDER ANY CIRCUMSTANCES, WITHHOLD ANY RENT OR OTHER AMOUNTS PAYABLE TO CITY HEREUNDER ON ACCOUNT OF ANY DEFECT IN THE PREMISES. BY ITS ENTRY ONTO THE PREMISES, USO ACCEPTS THE PREMISES AS BEING FREE AND CLEAR FROM ALL DEFECTS AND IN GOOD, SAFE, CLEAN, AND ORDERLY CONDITION AND REPAIR. USO waives any and all claims against the City regarding the condition of the Premises which may currently exist or which may arise in the future by contract, at common law, in equity, or under statute, now or then currently in effect, including those which relate to environmental conditions on, under, or near the Premises; provided, however, that such waiver does not extend to (i) USO's right to contribution from the City as may be provided under any Environmental Law, and (ii) fines and penalties for which the City would be liable, and USO would not be liable, under any Environmental Law.

Section 2.07 Accessibility. USO shall have the responsibility to ensure that the Premises are in compliance with applicable provisions of the Americans with Disabilities Act and other applicable laws and regulations governing access. If any action is necessary to achieve compliance, USO shall submit a plan for achieving such compliance to the Commissioner within thirty (30) days of execution of this Agreement by USO.

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Section 2.08 Covenant Against Waste. USO will not do or permit or suffer any waste, damage, impairment or injury to or upon the Premises or any part thereof.

Section 2.09 Signs. The number, general type, size, design, and location of any signs installed by USO on the Premises shall be subject to the prior written approval of the Commissioner. USO is responsible for obtaining all other necessary permits.

**Section 2.10 Removal of USO's Property.**

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

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

### ARTICLE III - TERM

Section 3.01 Term. The term of this Agreement ("Term") shall be for the period commencing on the Effective Date and terminating on the third anniversary thereof, with two (1) year extensions, available solely at the Commissioner's discretion, unless sooner terminated in accordance with the provisions set forth in this Agreement.

Section 3.02 Early termination. The City may terminate this Agreement, for all or a portion of the Premises, by 60 days prior written notice to USO.

### ARTICLE IV - RENT

Section 4.01 Rent. In consideration of this Agreement for lease of the Premises, USO shall pay Rent to the City in the amount set forth in Exhibit B.

Section 4.02 Method and Manner of Payment. USO shall, on or before the first day of January, during the term of this Agreement, pay to City, at the office of the City Comptroller, 121 N. LaSalle; 7<sup>th</sup> Floor, Chicago, Illinois 60602, or to such other place or person as City may direct USO by written notice, the annual payment for use of the Premises.

Section 4.03 Utilities. USO shall not be responsible for payment of all costs of separately metered utilities for the Premises, including, but not limited to, natural gas, water, sewer and electricity furnished to the Premises.

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Section 4.04 Permits, Licenses. USO shall be responsible for obtaining, at its own expense, all necessary governmental approvals, inspections, permits, or licenses needed in connection with the • Premises, any business conducted thereon, or any Work performed thereon.

### ARTICLE V-CONSTRUCTION, MAINTENANCE & REPAIR

Section 5.01 Improvements. USO may from time to time constructor install in the Premises, at its own expense, Improvements, including facilities and equipment, and any additions thereto, reasonably necessary in connection with any use permitted under the provisions of this Agreement, subject to the prior written approval of the Commissioner. USO shall submit the plans and specifications for any Improvements to the City for the Commissioner's approval pursuant to Section 5.02 no later than 180 days prior to the date that USO desires to commence construction. Commencement of the Improvements shall not occur prior to receipt of the Commissioner's approval ■ for the plans and specifications and receipt of all necessary permits and insurance coverages. .USO shall thereafter diligently pursue construction of the Improvements until fully completed in a condition reasonably acceptable to City.

#### Section 5.02 Construction Requirements.

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

B. A construction application together with plans and specifications of any proposed construction or installation (including any substantial alteration or addition to a hangar or ramp), a proposed schedule and evidence of insurance coverages required by Exhibit C shall be submitted to the Commissioner for his or her written approval before commencement of construction. USO shall require the contractor to furnish a payment and performance bond in form and substance acceptable to the Commissioner. Commissioner's approval shall be absolute and may be withheld in his/her sole discretion. Commissioner's approval of any plans and specifications shall not constitute a zoning approval or approval for other purposes or by other agencies or divisions of the City. Any professionals employed by or

contracted with by USO shall be properly licensed and insured to perform their Work.

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

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

Section 5.03 Title. City and USO mutually agree that any Improvements constructed on the Premises shall become and remain the property of City upon their completion.

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

### Section 5.05 Ordinary Maintenance and Repair.

A. USO acknowledges and agrees that the maintenance of the Premises by USO is an essential condition of this Agreement, and USO agrees to perform or cause to be performed all necessary preventive maintenance, repairs, replacements and improvements to the Premises at USO's sole cost and expense. USO shall at all times:

1. Keep the Premises and all Improvements and personal property in a clean, safe, and orderly condition and appearance and, to the extent that USO does not use its own employees, engage reputable janitorial, engineering and pest control contractors;

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

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

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

### Section 5.06 Restoration Necessitated by Casualty.

Any damage or destruction is herein referred to as a "Casualty". In the event of a Casualty, this Lease shall terminate effective on the date of the Casualty.

## ARTICLE VI - MAINTENANCE AND OPERATION OF AIRPORT

Section 6.01 Regulating the Airport; Airport Operation. City reserves the right to regulate, police and further develop, improve, reconstruct, modify or otherwise alter the Airport in City's sole

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discretion. City reserves the right, but shall not be obligated to USO, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport. City shall not have any obligation to continue to operate the Airport or any part as an airport for passenger or freight air transportation or at any particular level of operation and may at any time limit or discontinue use of the Airport or any means of access to or within the Airport in whole or in part. This provision shall not be interpreted to grant a right to limit or discontinue means of access to the Premises by USO from outside the Airport from dedicated public streets. .

Section 6.02 Other Governmental Functions. Nothing contained herein shall impair the right of City to exercise its governmental functions outside of its role as Airport sponsor, including but not limited to requiring USO to pay any tax or inspection fees or to procure necessary permits or licenses.

## ARTICLE VII SPECIAL CONDITIONS

Section 7.01 Compliance with All Laws. USO shall comply with all applicable federal, state, and local laws, codes, regulations, ordinances, rules, and orders (collectively, "Laws"), including without limitation such Laws as are listed below; provided, however, that USO may, without being "considered to be in breach hereof, contest any such Laws so long as such contest is in good faith, is diligently commenced and prosecuted by USO, and does not jeopardize the health or safety of persons at the Airport or Airport operations. Any Law that is applicable to this Agreement, but that is not expressly mentioned herein, shall be deemed to be included by reference.

A. Anti-Scoff law. USO hereby represents and warrants and shall cause each of its Contractors to represent and warrant, that USO or such Contractors, as the case may be, is not in violation of Section 2-92-380 of the Municipal Code.

B. Ethics. USO hereby represents and warrants and shall cause each of its Contractors to represent and warrant that USO or such Contractors, as the case may be, is not in violation of Chapter 2-156 of the Municipal Code.

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

D. Americans with Disabilities Act. Any and all Improvements must be designed and built in compliance with all applicable federal, state and local laws and regulations regarding accessibility standards for disabled or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act, P.L. 101-336 (1990), 42 U.S.C. 12101 et seq. and the Uniform Federal Accessibility Guidelines for Buildings and Facilities and the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq. (1991), and the regulations promulgated thereto at 71 Ill. Admin. Code Ch. 1, Sec. 400.110. In the event that the above-cited standards are inconsistent, USO shall comply with the standard providing greater accessibility.

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

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F. Business Relationships with Elected Officials. Pursuant to<sup>1</sup> Section 2-156-030(b) of the Municipal Code, it is illegal for any elected official of the 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 Section 2-156-030(b) by any elected official with respect to this Agreement is grounds for termination of this Agreement. The term "business relationship" is defined as set forth in Section 2-156-080 of the Municipal Code 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: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any 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; (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

**G. Non-discrimination.**

1) Federal Requirements. It shall be an unlawful employment practice for USO (a) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap, or national origin; or (b) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, age, handicap, or national origin. USO shall comply with The Civil Rights Act of 1964, 42 U.S.C. sec. 2000 et seq. (1981), as amended. Attention is called to: Exec. Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000(e) note, as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. sec. 6101-6106 (1981); Rehabilitation Act of 1973, 29 U.S.C. sec. 793794 (1981); Americans with Disabilities Act, P.L. 101-336; and 41 C.F.R. Part 60, et seq. (1990).

2) State Requirements. USO shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101, et seq., as amended, and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity Clause, 44 Ill. Admin. Code ' 750 Appendix A. Furthermore, USO shall comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 et seq., as amended.

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

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H. Affirmative Action Program. USO assures that it will undertake an affirmative action program which sets forth all applicable Federal standards as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, age, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. USO assures that no person shall be excluded on these grounds from participating • in or receiving the services or benefits of any program or activity covered by Subpart E. USO assures, that it will require that its covered suborganizations provide assurances to USO that they similarly will undertake an affirmative action program and that they will require assurances from their organizations, as required by 14 C.F.R., Part 152, Subpart E, to the same effect.

I. Office of Compliance. It is the duty of USO and its officers, directors, agents, partners and employees to abide by the provisions of Chapter 2-26 of the Municipal Code and to cooperate with the City's Office of Compliance in any investigation or audit undertaken pursuant to Chapter 2-26 of the Municipal Code.

#### Section 7.02 Environment

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

### ARTICLE VIII - AIRPORT MATTERS

Section 8.01 Airport Rules and Regulations. USO shall observe and obey all Airport rules and regulations governing the conduct and operations of the Airport, promulgated from time to time by City.

Section 8.02 Federal Legal Requirements. USO shall comply, and shall cause its Contractors to comply, with all applicable federal laws, codes, regulations, ordinances, rules, directives, assurances and orders applicable to operations at airports including, but not limited to, the following:

A. As a part of the consideration of this Agreement, USO for itself, its heirs, personal representatives, successors in interest, and assigns, must maintain and operate the facilities and services in compliance with all other requirements imposed under 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the Regulations may be amended. (49 C.F.R. Part 21 - DOT Title VI Assurance - AC 150/5100-15A), if facilities are constructed, maintained, or otherwise operated on the property described in this

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Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits.

B. USO for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration of this-Agreement, covenants as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in the use ofthe facilities; (2) in the. construction of any improvements on, over, or under the land and the furnishing of services oh them, no person on the grounds of race, color, or national origin will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination; and (3) USO will use the Premises in compliance with all other requirements imposed by or under 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the Regulations may be amended. (49 C.F.R. Part 21 - DOT Title VI Assurance-AC 150/5100-15A)

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C. USO must furnish service on a fair, equal, and not unjustly discriminatory basis to all users of it, and to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, but USO is allowed to make reasonable and nondiscriminatory discounts/rebates, or other similar types of price reductions to volume purchasers. (Grant



Assurance 22)

D. USO assures that it will comply with pertinent statutes, Executive Orders and the rules as are promulgated to assure that no person will, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefitting from federal assistance. This provision obligates USO or its transferee for the period during which federal assistance is extended to the Airport program, except where federal assistance is to provide, or is in the form of personal property or real property or interest in them or structures or improvements thereon. In these cases, this provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the City or any transferee for a purpose for which federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the City or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. (AAIA of 1982, section 520 - AC 150/5100-15A)

E. USO will practice nondiscrimination in its activities.

F. USO must insert the above 5 provisions in any agreement by which USO grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises. (See the documents referenced for the above clauses)

Section 8.03 Other Airport Agreements. USO's use and occupancy of the Premises shall be and remain subject to any use agreement heretofore or hereafter executed by the City with airlines operating at the Airport and any ordinance or indenture, or both, authorizing bond anticipation notes or bonds or other obligations adopted by the City Council of the City authorizing the issuance of notes, bonds or other obligations for the Airport and securing such obligations by a pledge of revenues or net revenues of the Airport and any ordinance or indenture supplemental thereto, which shall also include any master indenture.

#### **Section 8.04 Airport Security Acts.**

A., This Agreement is expressly subject to the requirements of the Airport Security Acts, the provisions of which govern airport security and are incorporated by reference, including without

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limitation the rules and regulations promulgated under them. USO is subject to, and further must conduct with respect to its Contractors and the respective employees of each, such employment investigations, including criminal history record checks, as the Commissioner, the TSA or the FAA may deem necessary. Further, in the event of any threat to civil aviation, as defined in the Airport Security Acts, USO must promptly report any information, in accordance with those regulations promulgated by the United States Department of Transportation, the TSA and by the City. USO must, notwithstanding anything contained in this Agreement to the contrary, at no additional cost to the City, perform under this Agreement in compliance with those guidelines developed by the City, the TSA and the FAA with the objective of maximum security enhancement. Any drawings, plans, and specifications provided by USO under this Agreement must comply with those guidelines for airport security developed by the City, the TSA and the FAA and in effect at the time of their submission.

B. Further, USO must comply with, and require compliance by its Contractors and business invitees, with all present and future laws, rules, regulations, or ordinances promulgated by the City, the TSA or the FAA, or other, governmental agencies to protect the security and integrity of the Airport, and to protect against access by unauthorized persons. Subject to the approval of the TSA; the FAA and the Commissioner, USO must adopt procedures to control and limit access to the Airport, and the Premises by. USO and its Contractors and business invitees in accordance with all present and future City, TSA and FAA laws, rules, regulations, and ordinances. At all times during the Term, USO must have in place and in operation a security program for the Premises that complies with all applicable laws and regulations.

C. Gates and doors located on the Premises and controlled by USO that permit entry into restricted areas at the Airport must be kept locked by USO at all times when not in use or under USO's constant security surveillance. Gate, or door malfunctions must be reported to the Commissioner or the Commissioner's designee without delay and must be

kept under constant surveillance by USO until the malfunction is remedied.

D. In connection with the implementation of its security program, USO may receive, gain access to, or otherwise obtain certain knowledge and information related to the City's overall Airport security program. USO acknowledges that all such knowledge and information is of a highly confidential nature. USO covenants that no person will be permitted to gain access to such knowledge and information, unless the person has been approved by the TSA or the Commissioner in advance in writing. USO further must indemnify, hold harmless and defend the City and other users of the Airport from and against any and all claims, reasonable costs, reasonable expenses, damages and liabilities, including all reasonable attorney's fees and costs, resulting directly or indirectly from the breach of USO's covenants and agreements as set forth in this section.

## **ARTICLE IX -r CITY'S RIGHT TO PERFORM USO's OBLIGATIONS**

Section 9.01 City's Right to Perform USO's Obligations. In the event that USO fails to perform any of its obligations under this Agreement, the City may, but is not obligated to, after written notice to USO and without waiving or releasing USO from any of its obligations hereunder, make any payment or perform any other act which USO is obligated to make or perform under this Agreement in such manner and to such extent as City may deem desirable; and in so doing City shall also have the right to enter upon the Premises, for any purpose reasonably necessary in connection therewith and to pay or incur any other necessary and incidental costs and expenses, including reasonable attorneys' fees. All sums so paid and all liabilities so incurred by City, shall be deemed additional Rent hereunder and shall be payable to City upon demand as additional Rent. City shall use reasonable

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efforts to give prior notice, which may be oral, of its performance, if reasonably feasible under the circumstances.

City shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business or • other damage to USO or any other occupant of the Premises or any part thereof, by reason of making repairs or the performance of any work on the Premises or on account of bringing materials, supplies and equipment into or through the Premises during the course thereof and the obligations of USO under this Lease shall not thereby be affected in any manner. In doing so, however, City shall use reasonable efforts not to interfere with USO's operations.

## **ARTICLE X INSURANCE AND INDEMNITY**

Section 10.01 Required Insurance Coverage. USO shall provide and maintain at all times, at USO's own expense during the term of the Agreement (and during any period subsequent to the expiration of the Term if USO is required to return to perform Work or perform any activities to comply with any Environmental Law), the type of insurance specified in Exhibit C, with insurance companies authorized to do business in the State of Illinois, covering all operations under this Agreement, whether performed by USO, its Contractors or business invitees. .

### **Section 10.02 Additional Obligations of USO Regarding Insurance**

A. USO will furnish the Commissioner with original Certificates of Insurance evidencing the coverage required to be in force on the date of this Agreement, and renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. USO shall submit evidence of insurance required for USO's use of the Premises on the City of Chicago insurance certificate of coverage form prior to the execution of the Agreement by the City. USO shall submit evidence of insurance required for any Work on the Premises prior to the commencement of Work. The City's receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of this Agreement. The failure of the City to obtain certificates or other evidence of insurance from USO shall not be deemed to be a waiver by the City. USO shall advise all of its insurers of the provisions of this Agreement pertaining to insurance. Non-conforming insurance shall not relieve USO of its obligation to provide the insurance specified herein. Nonfulfillment of the insurance conditions may constitute a material breach of the Agreement, and the City retains the right to suspend the Agreement or the Work until proper evidence of insurance is

provided, or terminate the Agreement.

B. All insurance policies shall provide for sixty (60) days written notice to City prior to the effective date of any change, cancellation, or termination of such coverage.

C. Any and all deductibles or self-insured retentions on referenced insurance coverages shall be borne by USO.

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

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

F. USO hereby waives, and shall cause each of its Contractors to waive, its rights of subrogation against City, including City's appointed and elected officials, agents, and employees. Inasmuch as this waiver will, preclude the assignment of any claim by subrogation to an insurance company, USO agrees to do the following and cause each Contractor to do the following: to give to each insurance company which has issued, or in the future may issue, to it policies of physical damage insurance, written notice of the terms of this waiver, and to have said insurance policies properly endorsed, to prevent the invalidation of said insurance coverage by reason of said waiver.

G. USO expressly understands and agrees that any insurance maintained by City shall apply in excess of and not contribute with' insurance provided by USO or its Contractors under this Agreement.

H. USO shall not do or permit to be done anything, either by act or failure to act, which shall cause cancellation of any policy of insurance required hereunder or any policy maintained by City.

I. The required insurance shall not be limited by any limitations expressed in the indemnification

language herein or any limitation imposed by law upon any indemnification provided herein.

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

Section 10.03 Indemnity. USO agrees to protect, defend, indemnify, keep, save and hold the City, its officers, officials, employees and agents (collectively "Indemnified Parties") free and harmless from and against any and all liabilities, losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind, nature and character arising out of or • relating to any and all claims, liens, demands, obligations, actions, suits, judgments or settlements, proceedings or causes of action of every kind, nature and character (collectively "Claims") in connection with or arising directly or indirectly out of the performance or failure to perform hereunder by USO, its officials, agents, employees, and subcontractors, including but not limited to, the enforcement of this indemnification provision. Without limiting the foregoing, any and all such Claims relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copyright or of any other tangible or intangible personal property right, actual or alleged employment discrimination or wrongful discharge, or any actual or alleged violation of any applicable statute, ordinance, order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. The foregoing indemnity provision excludes the negligence of the Indemnified Parties to the extent prohibited by 740 ILCS 35/1 et seq. (Construction Contract for Indemnification Act) and/or 740 ILCS 150/0.01 et seq. (Structural Work Act), respectively. USO further agrees to investigate, handle, respond to, provide defense for and defend all suits for any and all Claims, at its sole expense and agrees to bear all other costs and expenses related thereto, even if the Claims are considered groundless, false or fraudulent.

To the extent permissible by law, USO waives any limits to the amount of its obligations to indemnify, defend or contribute to any sums due under any losses, including any claim by an employee of Contractor that may be subject to

the Workers Compensation Act, 820 ILCS 305/1 et seq or any other law or judicial decision (such as, Kotecki v. Cyclops Welding Corporation, 146 Ill. 2d 155 (1991)). The City, however, does not waive any limitations it may have on its liability under the Illinois Pension Code.

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

**Section 10.04 Release of City.**

A. The City shall not be liable to USO, to USO's Contractors or to their respective agents, invitees or employees for (1) any injury to, or death of, any of them or of any other person, (2) for any damage to any personal property, or (3) for loss of revenue, that is caused by any third person in the maintenance, construction, or operation of facilities at the Airport, or that is caused by City operating ' and maintaining the Airport or any third person using the Airport or navigating any aircraft on or over the Airport, except where there has been a final determination by a court of competent jurisdiction that any such injury, .death, or damage is due to the negligence or willful misconduct of City, and then only to the extent USO or any of the above described parties is not covered by insurance.

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

**Section 10.05 Limitation on City Liability.** No official, employee, or agent of City shall be charged personally by USO, or by any assignee or contractor of USO, with any liability or expenses of defense, or be held personally liable to them under any term or provision of this Agreement, or because of City's execution or attempted execution hereof, or because Of any breach hereof. USO (and any person claiming by or through USO) shall look solely to legally available Airport discretionary funds from time to time up to the maximum limit of \$10,000 ("Maximum Limit:") for any claims against the City arising under this Agreement. The Maximum Limit shall be an aggregate limit over the term of this Agreement and shall be reduced by any prior payments or credits by City on account of a breach or default (or alleged breach or default) made with respect to the Premises. The foregoing exculpation of liability for City officials, employees and agents and the foregoing limitation on liability of the City itself shall be absolute to the full extent permitted by law and without any exception whatsoever.

**Section 10.06 Survival Beyond Termination of this Agreement.** USO's obligations under this Article X shall survive the termination of this Agreement.

**ARTICLE XI - TRANSFERS AND CHANGES IN OWNERSHIP**

**Section 11.01 USO's Right to Transfer.** USO covenants that it will not assign, sublet, subcontract, transfer, convey, sell, mortgage, pledge, or encumber its interests in the Premises (or any part thereof) or any rights or interest of USO in this Agreement nor otherwise allow the use of the Premises by any other person (any of the foregoing events being referred to as a "Transfer"), without obtaining authorization from City.

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**Section 11.02 City Right to Transfer.** The City reserves the right to transfer all or any part of its interests hereunder.

## ARTICLE XII GENERAL CONDITIONS

Section 12.01 Entire Agreement. This Agreement, and the exhibits attached hereto and incorporated hereby, shall constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this Agreement that are not expressly addressed herein and therein.

Section 12.02 Counterparts. This Agreement is comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

Section 12.03 Amendments. No changes, amendments, modifications, cancellation, or discharge of this Agreement, or any part thereof, shall be valid unless in writing and signed by the parties hereto, or their respective successors and assigns.

Section 12.04 Severability. If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law, or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

Section 12.05 No Partnership or Agency. Nothing herein contained as intended or shall be construed to in any respect create or establish any relationship other than that of lessor and lessee, and nothing herein shall be construed to establish any partnership, joint venture, or association or to make USO the general representative or agent of City for any purpose whatsoever.

Section 12.06 Representatives. City and USO shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for City and USO, respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. Except as specifically otherwise set forth herein, for the purposes of actions to be taken by it or by the Commissioner, City's representative shall be the Commissioner and any consents and approvals to be given by City shall be made by the Commissioner. USO's representative shall be designated in a written notice delivered to City. Any party hereto may change its designated representative by written notice.

Section 12.07 Assigns. All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, transferees, and assigns.

Section 12.08 Force Majeure. Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including, without limiting the generality hereof, strikes, boycotts, picketing, slow-downs, work stoppages, or other labor actions affecting City or USO or their respective Contractors, except to the extent that such failure, delay or interruption is the result of the negligence of that party; provided that

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nothing in this Section is intended or shall be construed to abate, postpone, or in any respect diminish USO's obligations to make any payments due City pursuant to this Agreement.

USO shall not be liable for the performance of any obligation of USO hereunder if such performance is prohibited or materially-affected by the issuance of any order, rule, or regulation, or the taking of any action by the Federal Aviation Administration or other government authority substantially affecting for a period of at least sixty (60) days USO's use of the Airport, provided, however, that none of the

foregoing is due to any fault of USO.

Section 12.09 Governing Law. This Agreement shall be governed in accordance with the laws of the State of Illinois. USO hereby irrevocably submits, and shall cause its subcontractors to submit, to the original jurisdiction of those State or Federal courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. USO agrees that service of process on USO may be made; at the option of City, either by registered or certified mail addressed to the applicable office as provided for, in this Agreement, by registered or certified mail addressed to the office actually maintained by USO, or by personal delivery on any officer, director, or managing or general agent of USO.

Section 12.10 Consent to Service of Process and Jurisdiction. All judicial proceedings brought by USO with respect to this Agreement shall be brought in Cook County, Illinois, and by execution and delivery of this Agreement, USO accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. USO irrevocably waives any objection (including without limitation 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 of City to bring proceedings against USO in the courts of any other jurisdiction.

Section 12.11 Notices. Any notices or other communications pertaining to this Agreement shall be in writing and shall be deemed to have been duly given by a party if sent by nationally recognized commercial overnight courier or registered or certified mail, return receipt requested, postage prepaid and addressed to the other party. Notices shall be deemed given on the date of receipt if by personal service, or one day after deposit with a nationally recognized commercial overnight courier, three days after deposit in the U.S. mails, or otherwise upon refusal of receipt. All notices or communications intended for USO shall be addressed to:

Alan Reyes  
Chief Operating Officer USO, Inc. 2111  
Wilson Blvd. Suite 1200 Arlington, VA  
22201

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

Commissioner

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Chicago Department of Aviation City of Chicago Midway  
International Airport Aviation Administration Building ■ .  
10510 W Zemke Road Chicago, Illinois 60666

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

Section 12.12 City's Authority. This Agreement is authorized by an Ordinance passed by City of Chicago City Council on \_\_\_\_\_, 2030, (C.J.P. \_\_\_\_\_). Except as expressly provided otherwise, wherever this Agreement provides that an act is to be taken or performed, or approval or consent is to be given by City, such act may be taken or performed, or approval or consent may be given, by the Commissioner, without further, action by the City Council of Chicago, as long as such act, approval or consent does not result in either (I) an extension of the Term (beyond any permitted renewals), (ii) a decrease in the Rent other than such decreases expressly provided for herein; or (iii) expansion of the Premises; provided, however, that non-material changes may be

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

Section 12.13 USO's Authority. Execution of this Agreement by USO is authorized by corporate resolution, and the signatures of each person signing on behalf of USO have been made with complete and full authority to commit USO to all terms and conditions of this Agreement, including each and every representation, certification, and warranty contained herein, attached hereto and collectively incorporated by reference herein, or as may be required by the terms and conditions hereof.

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the Effective Date.

**CITY OF CHICAGO**

Jamie L Rhee Commissioner

**United Service Organizations, Incorporated**

By: \_\_\_\_\_

Title:

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EXHIBIT A THE PREMISES



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## Midway International Airport Final Leased Premises

Preferentially Leased Space (Sorted by Lessee, Zone, Level)

Effective Date: X/X/20.19

### United Services Organization (USO)

ZONE	LEVEL	SPACE ID	DESCRIPTION	AREA (SF)
<u>1</u>	<u>B</u>	<u>01-121A</u>	<u>Office</u>	<u>812.0</u>
<u>BAGGAGE LEVEL (B) SUBTOTAL</u>				<u>:</u> <u>812.0</u>
ZONE 1 (USO) SUBTOTAL 812.0				
11	L	11^154	Storage	. 1.12.0
<u>LOWER LEVEL (L) SUBTOTAL</u>				<u>112.0</u>
ZONE 11 (USO) SUBTOTAL 112.0				
<u>12</u>	<u>U</u>	<u>12-240</u>	<u>Lounge</u>	<u>801.2</u>
<u>UPPER LEVEL (U) SUBTOTAL</u>				<u>. . . .</u> <u>801.2</u>
ZONE 12 (USO) SUBTOTAL 801.2				

**USO Total 1,725.2**

*The above space has been reviewed and approved by the following Lessee representative:*

Signature Date

Printed Name Title

Monday, December 9, 2013

#### EXHIBIT B PAYMENT

The USO, a not-for-profit corporation, shall pay rent of \$10.00 annually to the City of Chicago for. operation of the lounge facility for active military personnel and their dependents.

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EXHIBIT C . INSURANCE. REQUIREMENTS

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### INSURANCE REQUIREMENTS

Chicago Department of Aviation Chicago Midway  
International Airport

Tenant must provide and maintain at Tenant's own expense during the term of the Lease and during the time period following expiration or termination if Tenant is required to return to the Premises and perform any additional work or Services or Additional Services, and until each and every obligation of the Tenant contained in this Lease has been fully performed, the insurance coverage and requirements specified below, insuring all operations related to the Lease.

A. INSURANCE TO BE PROVIDED BY TENANT 1) Workers.

Compensation and Employers Liability . . .

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Lease and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease. '

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$5,000,000 per occurrence for bodily injury, personal injury, and property damage liability Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense, medical payments and contractual liability (riot to include Endorsement CG 21 39 or equivalent).

The City of Chicago is to be named as an additional insured under the Tenant's and any subcontractor's policy. Such additional insured coverage shall be provided on ISO form CG 2010 for ongoing operations or on a similar additional insured form acceptable to the City. The additional insured coverage must not have any limiting

endorsements or language under the policy such as, but not limited to, Tenant's sole negligence or the additional insured's vicarious liability. Tenant's liability insurance shall be primary, without right of contribution by any other insurance or self-insurance maintained by or available to the City. Tenant must ensure that the City is an additional insured on insurance required from subcontractors.

3) Automobile Liability (Primary and Umbrella)

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

4) Property

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Tenant is responsible for all loss or damage to City of Chicago airport property at replacement cost.

Tenant is responsible for all loss or damage to personal property (including but not limited to material, equipment, tools, contents and supplies), owned, rented, or used by Tenant.

C. ADDITIONAL REQUIREMENTS

The Tenant must furnish the City of Chicago, Department of Aviation, 10510 W. Zemke Road, 60666, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Lease, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Lease. The Tenant must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to execution of Lease. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with all Lease requirements. The failure of the City to obtain certificates or other insurance evidence from Tenant is not a waiver by the City of any requirements for the Tenant to obtain and maintain the specified coverages. The Tenant shall advise all insurers of the Lease provisions regarding insurance. Non-conforming insurance does not relieve Tenant of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Lease, and the City retains the right to stop, work until proper evidence of insurance is provided; or the Lease may be terminated. v

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

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Tenant.

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

The coverages and limits furnished by Tenant in no way limit the Tenant and the Tenant's liabilities and responsibilities specified within the Lease or by law.

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

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

If the Tenant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

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

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The Tenant must require all subcontractors to provide the insurance required herein, or Tenant may provide the coverages for subcontractors. All subcontractors are subject to the same insurance requirements of Tenant unless otherwise specified in this Lease. Tenant must ensure that the City is an additional insured on Endorsement CQ 2010 of the insurance required from subcontractors.

If Tenant or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Lease to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

