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CITY OF FRESNO
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FRESNO YOSEMITE INTERNATIONAL AIRPORT

ON-AIRPORT NON-EXCLUSIVE RENTAL CAR CONCESSIONS AGREEMENT

BETWEEN

CITY OF FRESNO

AND

AVIS BUDGET CAR RENTAL, LLC.,

a Delaware Corporation

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This ON-AIRPORT NON-EXCLUSIVE RENTAL CAR CONCESSIONS AGREEMENT ("Concession Agreement" or "Agreement") is dated as of August 15, 2014, by and between the CITY OF FRESNO, DEPARTMENT OF AIRPORTS ("City"), a municipal corporation of the State of California, and Avis Budget Car Rental, LLC., a Delaware Corporation ("Concessionaire"), (collectively, the "Parties").

RECITALS

WHEREAS, City owns, controls, operates and maintains a municipal airport known as FRESNO YOSEMITE INTERNATIONAL AIRPORT, in the City and County of Fresno, California ("Airport"), with the power to grant rights and privileges with respect thereto; and

WHEREAS, Rental Car services at the Airport are essential for proper accommodation of passengers arriving at and departing from the Airport; and

WHEREAS, Concessionaire is fully qualified to conduct a Rental Car concession and currently offers passenger automobile rental services under the provisions of a Restated Concession Agreement ("Existing Agreement") between Concessionaire and City, dated September 1, 2009 which expires on August 31, 2014, incorporated herein; and

WHEREAS, City advertised a Request For Proposals ("RFP") for a new On-Airport Non-Exclusive Rental Car Concession Agreement and elected to cancel the RFP and initiate direct negotiations with the incumbent Concessionaires as a class, due to lack of interest from other non-incumbent rental car operators, and the results of a subsequent Request for Letters of Interest advertisement, which confirmed that the incumbent Concessionaires were the only rental car companies that expressed interest in the concession opportunity; and

WHEREAS, over the last five years a number of mergers and acquisitions have occurred resulting in 95% of the industry represented by three major rental car companies, all of which currently operate at the Airport; and

WHEREAS, the Parties have agreed through negotiation of a term sheet that, among other provisions: 1) a business model change in the concession contract from single-brand concessions to multi-brand concessions would provide a greater selection of brands; 2) the City's current revenue levels would be protected through increased Minimum Annual Guarantee (MAG) and the rental of all available space; and 3) capital improvements would be jointly made to reconfigure and remodel counter space and Ready Return Area; and

WHEREAS, the Parties have previously entered into a Service Facility Lease Agreement, in 2009; and

WHEREAS, the Concessionaire and the other Concessionaires intend to fund Common Area operating and maintenance costs.

NOW, THEREFORE, for and in consideration of the privileges, premises, mutual covenants and agreements herein contained, City and Concessionaire agree, for themselves, their successors and assigns, as follows:

ARTICLE I - DEFINITIONS

The following terms and phrases shall have the following meanings for purposes of this Agreement:

A. ACDBE. Means Airport Concessions Disadvantaged Business Enterprise as defined by the FAA.

B. Agreement. Means this On-Airport Rental Car Concession Agreement between Concessionaire and City.

C. Agreement Year. Means a period during the Term beginning on September 1st and ending 12 months thereafter, for each year of the term of the agreement.

D. Airport. Means the Fresno Yosemite International Airport, as it currently exists or as it may exist in the future throughout the Term of this Agreement.

E. Airport Patron. Means any person or party who arrives at the Concession Facility for the purpose of renting a Rental Car from the Concessionaire.

F. Annual Concession Fee. Means the concession fee as described and defined in this Agreement, including the Minimum Annual Guarantee and/or the Percentage Fee.

G. Authorized Concessionaire Representative. Means the person at the time designated to act on behalf of the Concessionaire by a written statement furnished to the Director signed by an officer of the Concessionaire.

H. Bonds. Means the City of Fresno Airport Revenue Bonds, Taxable Series 2007, issued pursuant to the Indenture, and any bonds issued to refund such bonds.

I. Brand, Affiliated Brands. Means a brand which owned by a Parent Entity._.

J. City. Means the City of Fresno, California.

K. Common Area. Means that portion of the Concession Facility as depicted on Exhibit "A" attached hereto and designated in accordance with this Agreement for the common use by the Concessionaires.

L. Concessionaire. Means the Parent Entity On-Airport Concessionaire that enters into and operates at the Consolidated Facility pursuant to a Concession Agreement.

M. Concessionaire Contingent Rent Payment. Means, in any year, an amount that represents Concessionaire's prorated share (on the basis of size of the Concession Facility relative to the other Concessionaires' concession facilities) of fifty percent (50%) of the Contingent Rent Amount which shall be payable by all Concessionaires to City within thirty (30) days of written notice from the City that there is a Contingent Rent Payment.

N. Concessionaire Property. Means Concessionaire's vehicles, equipment, trade fixtures, and personal property that are not part of the Concession Facility or

owned by City or financed with Bond proceeds and do not constitute replacement, repair, or substitution for the Concession Facility.

O. Concession Recovery Fees. Means any amount that Concessionaire charges its customers to recover the amount of Annual Concession Fee paid by the Concessionaire under this Agreement, which charge should be clearly and separately stated on a customer's invoice and shall not be referred to as a tax. Concession Recovery Fees shall be no more than 11.11%.

P. Concession Facility. Means the Rental Car facilities made available to Concessionaire under this Agreement, including the Exclusive Use Premises, The Ready Return Area, and the Common Area. It includes those areas available to Concessionaire under this Agreement. Areas may include the following components: (i) counter space located in baggage claim, (ii) ready return Rental Car parking areas; (iii) certain infrastructure improvements to property, such as roadway improvements related to the construction and operation of such facilities.

Q. Consolidated Rental Car Facility or CRCF. Means the consolidated rental car facility that the City leases to the on-Airport Concessionaires for the service, maintenance, and storage of their Rental Cars.

R. Consumer Price Index For All Urban Consumers or CPI-U Index. Means the Consumer Price Index for [San Francisco All Urban Consumer, All Items, Base Year 2014] index or the successor of that index calculated on a calendar year basis and as published by the Bureau of Labor Statistics, U.S. Department of Labor.

S. Contingent Rent Amount. Means, in any year, the amount by which Debt Service exceeds the sum of (i) CFC fees collected in such years, and (ii) funds in the Excess CFC Revenue Account.

T. Customer Facility Charge or CFC. Means a fee imposed by the City from time to time pursuant to California Civil Code Section 1936, including any amendment, successor, or replacement thereto.

U. Debt Service. Means the principal and interest payments due in any one year on the Bonds.

V. Department. Means City's Department of Airports.

W. Director. Means the Director of City's Department of Airports or his/her designated representative.

X. Effective Date. Means the date on which both 1) this Agreement is duly signed by both parties; and 2) any City Council action/resolution approving this Agreement is effective.

Y. Exclusive Use Premises. Means the Terminal Counter Space Areas and Ready Return Area as depicted on Exhibit "B" for the exclusive use of the Concessionaire. Concessionaire has the right to make tenant improvements to its Exclusive Use Premises, as permitted hereunder the Agreement.

Z. FAA. Means the Federal Aviation Administration.

AA. Fiscal Year. Means the City's fiscal year beginning July 1 and ending June 30 each year.

BB. Gross Revenues. Means all revenues, excluding CFC revenues, which the Concessionaire receives in cash or credit under Rental Transactions it secures through its operations at the Concession Facility or derives from the rental of Rental Cars to Airport Patrons. Except insofar as a tax is separately stated as a tax and collected from the Concessionaire's Airport Patrons, and only insofar as the tax represents the amount actually levied by and paid to the taxing authority, there must be no deductions made to "Gross Revenues" for the payment of franchise taxes, sales and excise taxes, or taxes levied on concession activities, facilities, equipment, or real or personal property of Concessionaire.

"Gross Revenues" does not include:

1. Sums recovered by Concessionaire from insurance or otherwise for personal accidents, for damage to Rental Cars or other property or for theft, conversion or abandonment of its Rental Cars;

2. Any tax or surcharge separately stated as a tax or surcharge and collected from Concessionaire's Airport Patrons, in an amount that actually has been levied or charged by and paid to any competent governmental authority;

3. CFCs collected by the Concessionaire;

4. Discounts to Airport Patrons taken at the time of the rental only and clearly noted on the rental contract or agreement; or

5. Concessionaire Contingent Rent Payments.

CC. Indenture. Means the Indenture of Trust, dated as of June 15, 2000, by and between the City and The Bank of New York Trust Company, as successor trustee, as supplemented by the First Supplemental Indenture, dated as of May 1, 2007, and as it may be further supplemented from time to time.

DD. Industry. Means all On-Airport Non-Exclusive Rental Car Concessionaires that have executed an agreement in substantially the same form as this Agreement.

EE. Joint Party Improvements Program. Means an improvements program developed jointly by City, Concessionaire and Industry to reconfigure and remodel the area within which Concessionaire's and Industry counter spaces are located.

FF. Minimum Annual Guarantee. Means the minimum concession fee amount as described and defined in this Agreement; sometimes referred to as the MAG.

GG. Off-Airport Rental Car Companies. Means those rental car companies which do not have an On-Airport Rental Car Concession or Service Facility Lease Agreement with the City.

HH. Parent Entity. Means the Concessionaire and owner of the brands operating under this Agreement.

II. Past Due Interest. Means interest accruing at the lesser of (a) the maximum rate allowable by law, or (b) eighteen percent (18%) per annum based on a three hundred sixty-five (365) day year, commencing on the tenth (10th) business day after the date such amount is due and owing and continuing until such amount is paid to the City.

JJ. Percentage Fee. Means the part of the Annual Concession Fee based on a percentage of Gross Revenues as set forth in this Agreement.

KK. Ready Return Areas. Means that portion of the Consolidated Facility designated for Concessionaire's ready vehicles, return vehicles, and vehicle circulation lanes; but excluding from and reserving to the City, its contractors, successors, and assigns, any and all rights (including, without limitation, ingress and egress for persons and equipment). The Ready Return Areas are as depicted on Exhibit "B" for the exclusive use of the Concessionaire.

LL. Rent. Means the rental payments to be made by the Concessionaire pursuant to this Agreement.

MM. Rental Car(s). Means motor vehicles designed primarily for the carriage of passengers and commonly classified as sedans, coupes, convertibles, station wagons, sport utility vehicles, passenger vans, "Suburban"-type vehicles or pick-up trucks rated one-ton or less that the Concessionaire owns, leases, rents, or intends to rent and are properly available, or will become available for rental as provided herein.

NN. Rental Car Business. Means the common practices and proprietary means and methods of promoting, marketing, supplying, and serving the demand and needs of Airport Patrons for the rental of cars and the generation of gross revenues for the Concessionaire.

OO. Rental Day. Means each twenty-four (24)-hour period or fraction thereof within a rental period resulting from a Rental Transaction.

PP. Rental Transaction. Means either (i) the execution of a contract for the rental of a Rental Car at the Concession Facility; (ii) the payment of funds or completion of a credit transaction for payment of a Rental Car, or; (iii) delivery of a Rental Car from the Concession Facility to an Airport Patron for rental use.

QQ. Security Deposit. Means the deposit as defined and described in this Agreement.

RR. Service Facility. Means the exclusive use premises and related common area leased to Concessionaire under the Service Facility Lease Agreement.

SS. Service Facility Lease. Means the Service Facility Lease Agreement between the City and the Concessionaire, required to be held concurrently with this agreement, and any permitted amendments thereto.

TT. Term. Means the term of this Agreement, being September 1, 2014 through August 31, 2019.

UU. Terminal Building. Means the passenger terminal building at the Airport and any additional buildings that may be constructed, serving the airlines, together with the adjacent curbs and roadways, as now exist or as may hereafter be reconstructed, modified, changed or developed.

VV. Terminal Space. Means the counter space allocated to the Concessionaire in the baggage claim area as depicted in Exhibit "B".

WW. Termination Date. Means August 31, 2019, the date that this Agreement expires.

XX. TSA. Means the Transportation Security Administration.

ARTICLE II - CONCESSIONAIRE'S RIGHTS, PRIVILEGES AND OBLIGATIONS

Section 2.01: Representations and Covenants by the Concessionaire's Parent Entity and Brands (the Concessionaire).

The Concessionaire hereby makes the following representations and covenants:

The Concessionaire is a Corporation in good standing in the State of Delaware, is duly qualified in good standing to do business in/under the laws of the State of California, is not in violation of any provision of its governing documents (e.g., articles of incorporation, by-laws, partnership agreement, etc.), has full power to own its properties and conduct its business, has full legal right, power and authority to enter into this Agreement and to consummate all transactions contemplated hereby and by proper action has duly authorized the execution and delivery of this Agreement.

Section 2.02: Customer Facility Charge (CFC).

A. The Concessionaire acknowledges that the City may impose a CFC and establish a collection rate in accordance with applicable laws. If such a CFC is imposed, the Concessionaire agrees to collect such fee from each Airport Patron entering into a Rental Transaction with the Concessionaire and remit such fee to the City. The City agrees that the CFC rate shall be the same for all Airport Patrons, regardless of which Concessionaire is used by the Airport Patron. The City shall notify the Concessionaire of any change in the CFC rate at least 30 days prior to the effective date of the change.

B. As of the Effective Date, the CFC rate shall be $4.50 per Rental Day, up to a maximum of five (5) Rental Days per Rental Transaction.

C. On the first but not later than the twentieth (20th) day of each calendar month during the Term, the Concessionaire must remit to the City the total CFCs collected by the Concessionaire during the immediately preceding calendar month. The Concessionaire also agrees to furnish to the Director on the first but not later than the twentieth day of each calendar month during the Term, two copies of a true and correct statement of the CFCs collected by the Concessionaire for the preceding calendar month signed by an Authorized Concessionaire Representative together with all supporting documents and information reasonably requested by the City. At a

minimum, the statement will list the CFCs collected by each brand that the Concessionaire operates at the Airport. The amount remitted must equal the sum of the CFCs listed by brand on the statement. One of the copies shall be transmitted in an electronic format. The required format is attached hereto and incorporated herein as Exhibit "F". The Concessionaire must maintain such books and records for at least a three (3) year period. The Concessionaire agrees to give the City access during reasonable hours to such books and records. The Concessionaire also agrees to provide, in writing, to the City within 90 days following the close of each agreement year, the following information:

1. The Concessionaire's Rental Transactions per calendar month for the preceding 12-calendar month period beginning on each September 1 and ending on each subsequent August 31 ("Concessionaire Reporting Period") and;

2. The total amount of the CFCs collected by the Concessionaire per each calendar month and remitted by the Concessionaire to the City during the Concessionaire Reporting Period.

3. Such information must be provided by the Concessionaire to the City with the following certification by an Authorized Concessionaire Representative:

   "To the best of my knowledge, the information contained herein provided by the Concessionaire to the City is complete and accurate."

D. The CFCs collected by the Concessionaire must be accounted for in total and by Brand, separately on the Concessionaire's books of account. The Concessionaire agrees to maintain a separate account on its books or records in which it will hold all CFCs owed under this section. The CFC collected by the Concessionaire will be regarded as trust funds held by the Concessionaire as an agent, for the beneficial interest of the City. All CFCs collected and held by the Concessionaire are property in which the Concessionaire holds only a possessory interest and not an equitable interest. The Concessionaire agrees that in the event of a bankruptcy filing, any CFC remittance made by the Concessionaire is deemed a remittance made out of a trust fund, and the Concessionaire will not attempt to collect the remittances as preferences, fraudulent transfers, etc.

E. Once remitted to the City, all CFC collections shall be deposited by the City into the Revenue Fund established under the Indenture and subsequently disbursed according to provisions defined therein. Any CFCs deposited into the Surplus Fund established under the Indenture shall be restricted to use for any lawful purpose in the sole discretion of the Director provided that, without contradicting any other requirements of the Indenture, payment of Debt Service shall be the priority use. Any funds remaining in the Surplus Fund at Termination shall be the property of the City and shall be used in accordance with permitted statutory purposes.

F. The Concessionaire is obligated to collect the CFCs in accordance with this Agreement. The Concessionaire covenants and agrees that it will not be entitled to any rights of offset or other reduction in the requirements herein. The City acknowledges and agrees that, notwithstanding anything else to the contrary herein, the Concessionaire does not guarantee the payment of principal or interest on the Bonds except to the extent of its CFC obligations, Concessionaire Contingent Rent Payments and any other relevant fees and payments expressly provided hereunder.

Section 2.03: Concessionaire's Rights, Privileges and Obligations.

A. The non-exclusive right, privilege and obligation to conduct a Rental Car business at the Airport for the benefit and convenience of Airport Patrons in accordance with this Agreement and the Service Facility Lease Agreement. Concessionaire understands and agrees that it shall not engage in any other business at the Concession Facility under this Agreement or the Service Facility under the Service Facility Lease Agreement.

B. The right, for itself, its agents, employees, patrons, suppliers and other persons doing business with Concessionaire, of ingress and egress to and from the Concession Facilities over Airport roadways, including the use of roadways, subject only to law and to such reasonable rules and regulations governing the use of the Airport as the Director may establish.

C. The obligation, where required, to hold a license, franchise, agency agreement or other form of consent from Concessionaire and to do business at the Airport under the trade name and style of that Concessionaire.

D. The obligation to collect and remit CFCs, as more fully described herein.

E. The Concessionaire agrees that there will be two phases to the allocation of the Concessionaire's Concession Facility: (1) The allocation for the counter space and ready return areas shall be determined by September 1, 2014, based on the monthly operations reports submitted July 1, 2013 through June 30, 2014, and implemented upon completion of the respective construction projects. (2) On the fifth (5th) anniversary of the Effective Date, all parties to this contract shall have a one-time option to reallocation based on 'leapfrogging' criteria defined as follows: (i) market share statistics must be collected by the City for the period following September 1, 2017 for two years, (ii) reallocation will only be permitted on a "leapfrogging basis", i.e., one or more the Concessionaires may displace (a) any of the other Concessionaires with a three percent (3%) market share disadvantage relative to the leapfrogging Concessionaires, (iii) in order to trigger the leapfrog provision the Concessionaire requesting the move must have a three percent (3%) market share advantage (as determined by such Concessionaire's proportionate share of the total gross revenues of all the Concessionaires) over any competitor Concessionaires at the end of the fifth (5th) year, (iv) during the Term leapfrogging will be permitted only once, (v) all costs associated with leapfrogging for any affected Concessionaire will be borne entirely by the Concessionaire requesting to leapfrog, (vi) the request to leapfrog must be conveyed in writing to the Director within sixty (60) days of close of the fifth (5th) year. The Director will not unreasonably withhold permission, provided leapfrogging cannot impair the business operations of the Concessionaire being displaced and further provided that the move must be completed within the timeframe approved by the Director.

In the event of reallocation as above, the City shall prepare, pay for and promptly distribute preliminary Exhibits "A" and "B" to each of the Concessionaires setting forth the revised Ready Return Area of the Concessionaires within their respective Exclusive Use Premises. Within thirty (30) days of receipt of such revised Exhibits, if the Concessionaire has obtained additional Ready Return Area due to such reallocation, it shall notify, in writing, the City as to whether it desires to rent or lease

such additional area. Immediately upon receipt of all such notices from any of the Concessionaires, the City shall notify, in writing, all of the other Concessionaires of the ready return not desired by each of the Concessionaires and provide the other Concessionaires with the opportunity to lease such areas. Priority among the other Concessionaires for the lease of such unwanted area shall be based on market share as measured by Gross Revenues during the preceding twelve (12) months ("Allocation Market Share"), so that (i) the rank order in selecting the lessee of unwanted area shall be with the Concessionaire having the greatest amount of Allocation Market Share selecting first, and the Concessionaire with the least amount of Allocation Market Share selecting last, and (ii) unless otherwise provided in the immediately succeeding sentence, the maximum percentage amount of the unwanted area leased by any one of the other Concessionaires shall not exceed its Allocation Market Share. Any one of the Concessionaires may lease more than its Allocation Market Share of the unwanted area if fewer than all of the other Concessionaires express the written desire to lease such unwanted area, in which event the priority order of selection for the remaining unwanted area shall be as set forth in the immediately preceding sentence. If any portion of the Concessionaire's unwanted Ready Return Area is not leased to one or more of the other Concessionaires, then the Concessionaire shall be obligated to lease such unwanted additional area. The City shall thereafter prepare, pay for and distribute revised Exhibits "A" and "B" showing the final Ready Return Area to be leased by the Concessionaire.

F. Subject to the other terms of this Agreement, Concessionaire shall assume the responsibility, cost and expense, for the operation and all repair and maintenance whatsoever of its Exclusive Use Premises, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise, as set forth in this Agreement. However if the repair or maintenance is covered by a manufacturer's warranty, contractor's warranty or other such warranty the Concessionaire shall contact the Director and warrantor to arrange for the required repair or maintenance to be completed. Without limiting the generality of the foregoing, the Concessionaire shall be obligated as to the following, at its expense and without cost or expense to the City:

1. Maintenance including janitorial services and any necessary repair or replacement of the Exclusive Use Premises shall be borne by the Concessionaire;

2. The Concessionaire shall keep the Exclusive Use Premises in good order and condition and will make all necessary and appropriate repairs and replacements thereof promptly and in a good and workmanlike fashion without diminishing the original quality of such improvements;

3. The Concessionaire shall not permit rubbish, debris, waste materials or anything unsightly or detrimental to health, or likely to create a fire hazard, or conducive to deterioration, to remain on any part of the Exclusive Use Premises or to be disposed of improperly;

4. The Concessionaire shall appropriately light, maintain and repair all surface areas for the parking of vehicles on the Exclusive Use Premises, including repair of any damage to paving or other surfaces caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon;

5. The Concessionaire agrees that the Director or his authorized representative shall have the right to make reasonable objections regarding the maintenance and appearance of the Exclusive Use Premises. The Concessionaire agrees to promptly begin remediation of any objectionable condition within thirty (30) days after written notice by the Director or his authorized representative.

6. The Concessionaire shall provide and maintain all obstruction lights and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by laws, rule, order, ordinance, resolution or regulation of any competent authority, including the City and Director;

7. The Concessionaire shall be responsible for the maintenance and repair of all utility services lines placed on the Exclusive Use Premises and used by the Concessionaire exclusively, including, but not limited to, water lines, gas lines, electrical power and telephone and data conduits and lines, sanitary sewers, and storm sewers;

8. The Concessionaire shall take all reasonable measures not to produce on the Airport through the operation of machinery or equipment any electrical, electronic or other disturbance that interferes with the operation by the City, the Federal Aviation Administration or the scheduled airlines, of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications;

9. The Concessionaire shall within reason, control the conduct, demeanor and appearance of its employees and, upon reasonable objection from Director concerning the conduct, demeanor or appearance of any such person, immediately take all reasonable steps necessary to remove the cause of the objection;

10. The Concessionaire shall commit no nuisance, waste or injury, and shall not do, or permit to be done, anything which may result in the creation, commission or maintenance of such nuisance, waste or injury on the Exclusive Use Premises;

11. The Concessionaire shall comply with the requirements of all generally applicable air pollution and nuisance statutes and ordinances;

12. Subject to the Concessionaire's rights to use City services on the same basis as other customers of the City, the Concessionaire shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located at the Exclusive Use Premises;

13. The Concessionaire shall collect all garbage, debris and waste material (whether solid or liquid) arising out of its occupancy hereunder, store same pending disposal in covered metal or other rigidly and sturdily constructed receptacles and dispose of same off the Airport at regular intervals, except for sewage which may be disposed of in the City's sewer system, all at Concessionaire's expense, in the manner reasonably required by the Director;

14. The Concessionaire shall apply and be governed by the Hazardous Substances provisions in this Agreement whether the Concession Facility is expressly mentioned or not.

G. Subject to the other terms of this Agreement, Concessionaire shall assume the responsibility, cost and expense, for the operation and all repair and maintenance whatsoever of its Common Area, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise, as set forth in this Agreement. However if the repair or maintenance is covered by a manufacturer's warranty, contractor's warranty or other such warranty the Concessionaire shall contact the Director and warrantor to arrange for the required repair or maintenance to be completed. Without limiting the generality of the foregoing, the Concessionaire shall be obligated as to the following, at its expense and without cost or expense to the City:

1. The cost of maintenance including janitorial services and any necessary repair or replacement of the Common Areas of the Ready Return Area;

2. Maintain at all times the Common Areas of the Concession Facility in as good a state of repair and preservation as the public terminal areas at the Airport, excepting ordinary wear and tear and obsolescence in spite of repair;

3. Keep at all times, in a clean and orderly condition and appearance, the Common Areas of the Concession Facility, which are open to or visible by the general public;

4. Provide and maintain all obstruction lights and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by laws, rule, order, ordinance, resolution or regulation of any competent authority, including the City and Director;

5. Repair any damage to paving or other surfaces of the Common Areas of the Concession Facility caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon;

6. Take reasonable measures to prevent erosion, including but not limited to, mowing, the planting and replanting of grass or other appropriate landscape material with respect to all portions of the Common Areas of the Ready Return area not paved or built upon, and in particular, plant, mow, maintain and replant any landscaped areas;

7. Be responsible for the maintenance and repair of all utility services lines placed on the Common Areas of the Ready Return Area including, but not limited to, water lines, gas lines, electrical power and telephone and data conduits and lines, sanitary sewers, and storm sewers;

8. Take all reasonable measures not to produce on the Airport through the operation of machinery or equipment any electrical, electronic or other disturbance that interferes with the Airport operations by the City, the Federal Aviation Administration or the scheduled airlines, of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications;

9. Within reason, control the conduct, demeanor and appearance of its employees and, upon reasonable objection from Director concerning the conduct, demeanor or appearance of any such person, immediately take all reasonable steps necessary to remove the cause of the objection;

10. Commit no nuisance, waste or injury, and not do, or permit to be done, anything which may result in the creation, commission or maintenance of such nuisance, waste or injury on the Common Areas;

11. Comply with the requirements of all generally applicable air pollution and nuisance statutes and ordinances;

12. Subject to the Concessionaire's rights to use City services on the same basis as other customers of the City, the Concessionaire shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located at the Common Areas;

13. Collect all garbage, debris and waste material (whether solid or liquid) arising out of its use and occupancy hereunder, store same pending disposal in covered metal or other rigidly and sturdily constructed receptacles and dispose of same off the Airport at regular intervals, except for sewage which may be disposed of in the City's sewer system, all at Concessionaire's expense, in the manner reasonably required by the Director;

14. Apply and be governed by the Hazardous Substances provisions in this Agreement whether the Concession Facility is expressly mentioned or not.

15. All Companies agree that the Airport shall be the contract administrator for all repairs and maintenance to the Common Use areas of the Concession Facility. Airport shall prepare an annual Concession Facility budget and submit it to all Companies for review.

16. Companies shall be billed on a monthly basis for their percentage of the Concession Facility budget based on their percentage (%) allocation of the Common Use facility based on market share.

H. Subject to the provisions of this Agreement, the Concessionaire may construct on the Concession Facility such additional facilities and install such additional equipment as may be required by its operations, subject to the prior written approval of the Director. The Concessionaire must develop detailed drawings, plans and specifications for any improvements it intends to make to the Concession Facility. Prior to commencement of working drawings and specifications for any construction, modifications, and/or improvements made by the Concessionaire, the Concessionaire must submit to the Director, all proposed design concepts, including architectural renderings showing appearance, types of materials and colors proposed for all improvements and equipment to be constructed or installed. All design, construction and installation work must meet City standards and as applicable and receive prior approval from the Director.

1. Final plans and specifications for the construction and installation of the improvements and the equipment must be submitted to the Director for his written approval prior to commencement of construction or installation of said improvements and equipment.

2. The Concessionaire must deliver to the City duplicate copies of 'as-built' plans and specifications of completed improvements on the Concession Facility within thirty (30) days after the date on which the Concessionaire has certified completion thereof. At the same time, the Concessionaire must submit to the Director an itemized statement prepared and certified by the architect and engineer for the design and construction of the facilities and certified by an officer of the Concessionaire, showing the actual cost of such improvements, and must, if so requested by the City in writing, produce copies of all invoices and other records in connection therewith. Said itemized statement must, unless disputed in writing by the City within sixty (60) days next following receipt thereof from the Concessionaire, constitute *prima facie* evidence of the costs shown therein.

Section 2.04: Restrictions on Concessionaire's Operations.

The following restrictions shall apply to the conduct of Concessionaire's operations on the Airport:

A. The rights granted to Concessionaire hereunder shall be expressly limited to maintaining and operating a Rental Car business at the Airport and functions incidental and related thereto.

B. Unless the Director gives prior written approval in each instance, Concessionaire shall not engage in the maintenance, servicing or storage of Rental Cars which are not intended to be rented or returned to the Concessionaire at the Airport, or which are intended for retail sale to the public, excepting only, where a rental car otherwise prohibited under this Paragraph B breaks down in route to or from another location and the Concessionaire's Exclusive Use Premises at the Airport is nearest facility from which the required repairs can be made.

C. Except where authorized by the Director in writing, Concessionaire is prohibited from selling fuel to any other person/entity not renting a Rental Car, and is prohibited from servicing, parking or storing any vehicles other than those Rental Cars used by Concessionaire in its business at the Airport. Should the Director approve any such activities, and the Concessionaire conduct such activities, the gross receipts therefrom shall be included in the Gross Revenues defined in this Agreement, and be subject to payment by Concessionaire of the same Percentage Fee as other Gross Revenues, or such other fee as the parties may agree upon by written amendment to this Agreement.

D. City reserves the right to adopt, amend and enforce reasonable rules and regulations and minimum standards governing the Airport and the accommodations granted to Concessionaire.

Section 2.05: City's Covenant Regarding More Favorable Terms.

During the Term, or during any period of holding over by Concessionaire pursuant to the provisions hereof, City shall neither enter into any rental car Concession Agreement with any

Section 2.05: City's Covenant Regarding More Favorable Terms.

During the Term, or during any period of holding over by Concessionaire pursuant to the provisions hereof, City shall neither enter into any rental car Concession Agreement with any other of the Concessionaires, nor amend, change, supplement, or otherwise modify, in writing or otherwise, any such agreement in any manner whatsoever, so as to result in any such agreement's containing any terms, conditions, agreements, or provisions which shall be more favorable to such Concessionaire than those herein set forth, including the modification of the term of any such agreement so as to have it end other than concurrently with the Termination Date hereof.

Concessionaire agrees that, in the event any of the Concessionaires discontinue(s) operations at the Airport, the City reserves to itself the right to enter an interim concession agreement with or without a solicitation and/or first refusal by the remaining Concessionaires.

Section 2.06: City's Covenant Regarding Concessionaire Allowance and Renewal and Replacement Account.

City shall, upon Concessionaire's reasonable request and within thirty (30) days thereof, fund the Concessionaire Allowance and Renewal and Replacement Account, upon the terms and condition in this Agreement, provided Concessionaire cooperates with City in City's perfection of any security interest/UCC filings/fixture filings and liens.

ARTICLE III - TERM

Section 3.01: Term.

This Agreement shall begin on September 1, 2014 and will terminate on August 31, 2019.

Section 3.02: Option to Extend Term.

At the end of the Term in Section 3.01, either party may exercise its option to renew this Agreement for an additional five (5) year period, upon the terms and conditions herein or as otherwise mutually agreed to by the Parties, provided that in no event shall this Agreement remain in force beyond August 31, 2024. Written notice of either party's intent shall be provided no later than September 1, 2018. All Parties must mutually agree to the terms and conditions before this Agreement can be renewed for an additional five (5) year period.

Section 3.03: Cessation of Operation.

No notice to cease operation at the Termination date of the Term of this Agreement shall be necessary. Concessionaire covenants and agrees that at the Termination Date of the Term or at the earlier termination thereof, Concessionaire, of its own accord, will peaceably cease its operations at the Concession Facility in accordance with Article X herein.

ARTICLE IV - RENTAL, CONCESSION FEES AND OTHER CHARGES

Section 4.01: Annual Rent, Paid Monthly.

A. Commencing on the Effective Date, Concessionaire covenants and agrees for each year of the term of this Agreement to pay to City rents set forth in sub-paragraphs "(1) - (4)" of this paragraph, below:

Exclusive-Use Premises in the main passenger Terminal Building, as more specifically set forth in Exhibit "B".

2. Ready Return rent which shall consist of a sum calculated each Agreement Year on the basis of eighty seven and seventy-six ten-thousandths of a cent ($0.8776) per square foot and be payable in 12 equal installments on the first day of each month, for the land area of Concessionaire's Ready Return Area, as more specifically set forth in Exhibit "B", subject to adjustment per Section 4.03 below, plus

3. Prorata (on the basis of size of the Concessionaire's Concession Facility relative to the concession facilities of other Concessionaires) Common Area rent which shall consist of a sum calculated each Agreement Year on the basis of eighty seven and seventy-six ten-thousandths of a cent ($0.8776) per square foot per square foot, and payable in 12 equal installments on the first day of each month, for the area, as more specifically set forth in Exhibit "A", subject to adjustment per Section 4.03 below, plus

4. The Concessionaire Contingent Rent Payment, if any.

B. The City hereby acknowledges that in the event a Contingent Rent Amount is due, the Indenture requires that the City apply Revenues (as defined in the Indenture) to the payment of Debt Service in an amount, which will equal the difference between the Contingent Rent Amount and the Concessionaire Contingent Rent Payment received by the City.

C. It is mutually understood and expressly agreed that City shall have the right by authorized action to change the rent specified in this Section of this Article. Rents are published in the Master Fee Schedule of the City of Fresno.

Section 4.02: Annual Concession Fees.

In addition to the above rents and commencing on the Effective Date, Concessionaire covenants and agrees for each Agreement Year to pay Annual Concession Fees. The Annual Concession Fees in the first Agreement Year shall be the greater of (i) the Percentage Fee, a sum equal to ten percent (10%) of the Concessionaire's Gross Revenues, or (b) the Minimum Annual Guarantee (MAG).

The Minimum Annual Guarantee for the first Agreement Year shall be 95% of the actual Percentage Fee for most recent audited annual periods. This is determined to be Five Hundred Forty Two Thousand Nine Hundred Sixty Five Dollars and Ninety Five Cents ($542,965.95) and will take effect on the September 1, 2014. The annual MAG shall be payable in advance in 12 equal installments. The MAG for each subsequent Agreement Year shall be the greater of: (a) the MAG for the prior Agreement Year or (b) eighty-five percent (85%) of the Concession Fees due from the Concessionaire for the prior Agreement Year, but never less than the prior Agreement Year MAG.

Section 4.03: Adjustments.

A. Payments due for any partial calendar month payable during the Term will be prorated. Pro-rata payments will be calculated by dividing the total annual Rent by three hundred sixty-five (365) and multiplying that daily amount by the number of days in the partial month period.

B. The Concessionaire agrees to promptly pay (prorata with the other On-Airport Concessionaires) all charges and assessments imposed by the City for maintenance costs associated with the Common Areas. The Concessionaire will carry out or have carried out all of the Concessionaire's obligations to maintain and/or pay the City to maintain the Common Areas.

C. The rent under Section 4.01(A) (for Ready Return and Common Area) will be adjusted starting on the first annual anniversary of the Agreement Year, and on the annual anniversary of the Agreement Year each year thereafter, based on the annual percentage change in the CPI-U Index. However, in no event will the annual adjustment result in rents being less than the amount charged during the prior year or more than two percent (2%) above the amount charged during the prior year.

D. If, at any time during the Term, any one or more of the events and/or conditions listed below, shall continuously occur/exist during a period in excess of three full consecutive calendar months, then, beginning with the fourth consecutive calendar month of the period during which any such event/condition shall have continuously occurred/existed, and continuing monthly thereafter so long as such an event/condition shall continue to occur/exist, Concessionaire shall pay ten percent (10%) of Concessionaire's Gross Revenues during the month for which such fees shall be due, whether such sum shall be less than, equal to, or greater than one-twelfth (1/12th) of Concessionaire's MAG. In any Agreement Year during which such monthly Percentage Fees are due pursuant to this provision in lieu of any MAG, Concessionaire's total due at the end of the Agreement Year shall be reduced by an amount equal to the monthly MAG payments that would have otherwise been payable.

1. The total number of scheduled passenger deplanements from scheduled airline flights at Airport for any full calendar month shall be less than seventy-five percent (75%) of the total number of such passengers for the same period during the preceding Agreement Year. Passenger traffic shall be determined by deplaned passenger statistics supplied to the City on a monthly basis by the Scheduled Airlines operating at the Airport; or

2. Where, in the opinion of the Director, fuel shortages, government mandated gasoline rationing, or strikes by employees of automobile manufacturers or within any transportation industry affecting the manufacture, transport, and/or delivery of automobiles directly causes the total, combined Gross Revenues of all Concessionaires for any full calendar month to be less than seventy-five percent (75%) of the total combined Gross Revenues for the same period in the preceding Agreement Year. The Director shall have complete discretion in determining whether the downturn in the rental car market was directly caused by the events enumerated above.

Section 4.04: Monthly Statement and Payment of Fees and Charges.

A. All rents and fees are due on the first day of each calendar month and late if not paid before the fifth (5th) calendar day of each calendar month during the Term except that (i) the Concessionaire Contingent Rent Payments shall be due and payable by Concessionaire to City within 30 days of written notice from the City that there is a Concessionaire Contingent Rent Payment, and (ii) the Minimum Annual Guarantee is due and payable in advance on the first day of each calendar month. Concessionaire shall submit to City two copies of a detailed statement of Gross Revenues ("Statement"), in the form attached hereto as Exhibit "D" one of which shall be in an electronic format acceptable to the Airport. The Statement shall be for the preceding calendar month and shall show such reasonable details and breakdown as the Director may require. At a minimum, the Statement shall identify the following by separate line item:

1. Gross Revenues for the preceding calendar month itemized to identify revenues earned in each of the categories specified in the Gross Revenues definition;

2. Calculation of the Percentage Fee owed to City for the preceding calendar month. An Authorized Concessionaire Representative must certify all Statements. If the twentieth (20th) day of the month is a Saturday, Sunday or Airport holiday, the Statement shall be due on the next succeeding business day.

B. On or before the 20th day of each calendar month during the Term, Concessionaire must pay to City, without demand or invoice therefore the Percentage Fee due in accordance with this Article, if any, for the previous month.

C. All reporting shall be completed by both brand and in total for the Parent Entity on a monthly and annual basis.

Section 4.05: Certified Statement of Gross Revenues and CFC Collections Due within Ninety (90) Days of Close of each Agreement Year.

Within ninety (90) days following the close of each Agreement Year, Concessionaire shall furnish to City a sworn statement certified by an independent certified public accountant or firm of certified public accountants showing the total of Gross Revenues and CFC collections at the Airport for said Agreement Year and stating that Gross Revenues and CFC collections have been correctly reported in accordance with the terms of this Agreement.

Within ninety days following the termination of any other agreement or permit with the City, Concessionaire must provide, at its sole cost and expense, an audit by an independent certified public accountant or firm of certified public accountants, of monthly gross revenues, as defined in any other agreement or permit with the City for the period beginning at the last audited month and ending at the commencement date of this Agreement.

If the aggregate payments made for any Agreement Year exceed the greater of: (1) the Minimum Annual Guarantee if applicable to such year, or (2) Percentage Fee, the excess balance shall be credited to Concessionaire's account and applied against one or more of the next succeeding monthly payments during the next ensuing Agreement Year, if there is one, as the City may elect. If the Agreement is terminated, City shall repay such excess Annual Concession Fees to Concessionaire in lawful tender of the United States.

If the certified statement provided by the Concessionaire to the City indicates that the aggregate payments made for any Agreement Year was less than the aggregate payments due for any Agreement Year under the terms of this Agreement, then Concessionaire shall pay the difference to the City at the same time it provides the certified statement to the City. In the event the underpayment is greater than five percent (5%) then the Concessionaire shall pay Past Due Interest on the amount of such difference.

Section 4.06: Right to Conduct Business on Credit Basis.

Concessionaire shall have the right to conduct its Rental Car business at the Airport as authorized under this Agreement on a credit basis; provided, however, that the risk of such operation shall be borne solely by Concessionaire. Concessionaire shall report all income, both cash and credit, in its monthly statements of Gross Revenues.

Section 4.07: Unpaid Rents.

All rents to City hereunder will bear a reasonable service charge per month equal to the Past Due Interest if not paid to and received by City within ten business days following the due date. Concessionaire shall pay and discharge all reasonable costs and expenses, including reasonable attorneys' fees, incurred or expended by City in the collection of delinquent amounts due.

Section 4.08: Additional Fees and Charges.

Concessionaire shall pay additional fees and charges only under the following conditions:

A. If City has paid any sum or sums, or has incurred any obligation or expense, which Concessionaire has agreed to pay to, or to reimburse the City; or

B. If City is required or elects to pay any sum or sums, or incur any obligation or expense, because of Concessionaire's failure, neglect or refusal to perform or fulfill any condition of this Agreement.

Any payment of the above-described additional fees and charges shall include all interest, costs, damages and penalties incurred in connection with said fees and charges and may be added to any installment of future fees and charges due hereunder. Each and every part of such payment shall be recoverable by City in the same manner and with like remedies as if it were originally a part of the rents and fees or other charge set forth herein.

Section 4.09: Security Deposit.

A. In order to guarantee the timely payment of the Annual Concession Fee, Concessionaire must remit to the City within ten business days prior to the Effective Date, a Security Deposit equal to one-fourth (1/4) of the Concessionaire's Minimum Annual Guarantee Fee, pursuant to this Agreement. The Security Deposit must be in the form of (i) a payment bond or an irrevocable letter of credit, renewable annually, from an insurer or bank reasonably acceptable to the City, (ii) cash or (iii) such other form of security as the City may deem reasonably acceptable.

B. At any time that any of Concessionaire's Annual Concession Fees, or any other amounts due hereunder are more than thirty (30) days past due, the City, upon written notice to Concessionaire, will be entitled to apply all or any portion of the Security

Deposit to the payment of such unpaid amounts including any reasonable costs the City incurs in collecting the amounts it is owed. In any such event, Concessionaire must again meet the Security Deposit requirements set forth above within seven business days from its receipt of such written notice.

Section 4.10: Place and Manner of Payments.

Concessionaire shall make payment in legal tender of the United States of America at the office of the City's Department of Airports: 4995 E. Clinton Way, Fresno, CA 93727: Attn. Accounts Receivable or at such other place within the City of Fresno, California as City may direct in writing to Concessionaire.

Section 4.11: Retention of Records.

Upon commencement of the Term, Concessionaire agrees that it will make available to the City within thirty (30) business days of written notice, the books and records of accounts of Concessionaire for the last three twelve-month periods completed operations and the current Agreement Year, showing the information required under this Article IV or other similar Article(s) contained in any previous agreement(s), relating to business conducted at the Airport, the deductions there from, and other pertinent information required by the provisions of this Article or other similar Articles contained in such previous agreement. Concessionaire's obligation to retain such books and records is limited to the extent required under this Agreement, and/or previous agreement(s), until the Concessionaire retains sufficient books and records to meet the retention requirements stated above. Upon the City's prior written notice such books and records of accounts must be accessible to City or its duly authorized agents or auditors, during regular business hours only for the purpose of verifying compliance by Concessionaire with the terms of this Agreement, and/or previous agreement. At the City's request, Concessionaire will pay for the copying and delivery of all records and books requested by the City. In the event the City determines that the auditors need to travel to the Concessionaire's location where the books and records are kept, Concessionaire will pay for the reasonable and customary travel and other incidental costs incurred by the City's auditors.

Section 4.12: Independent Certified Public Accountants.

Wherever the statement of an Independent Certified Public Accountant is required, the parties agree that said CPA must not be an employee or agent of Concessionaire.

Section 4.13: City's Right to Audit Statements and Reports.

City shall have the right to audit the statements and reports provided by Concessionaire in accordance with Article IV herein. Except as provided in Section 4.09 above, the cost of audit shall be borne by City; unless the audit reveals an underpayment of Annual Concession Fees by Concessionaire of five percent (5%) or greater, or if the audit reveals that the condition of the Concessionaire's records is such that the revenue due City cannot reasonably be properly determined. In the event of either condition described above, the reasonable cost of the audit including any applicable travel costs, must be borne by the Concessionaire and must be paid within five business days of receipt of an invoice.

Section 4.14: Taxes and Assessments.

In addition to the rents, Annual Concession Fees, and charges herein set forth, Concessionaire shall pay, as and when due, but not later than fifteen (15) days prior to the delinquency date

thereof any and all taxes and general and special assessments of any and all types or descriptions whatsoever which, at any time and from time to time during the life hereof, may be levied upon or assessed against Concessionaire, the Concession Facility and/or any one or more of the improvements located therein or thereon and appurtenances thereto, other property located therein or thereon belonging to City or Concessionaire, and/or upon or against Concessionaire's interest(s) in and to the Concession Facility, improvements and/or other property, including possessory interest as and when such be applicable to Concessionaire hereunder (See footnote 1 below).

Concessionaire agrees to protect and hold harmless City, the Concession Facility and any and all improvements located therein or thereon and any and all facilities appurtenant thereto and any and all other property(ies) located therein or thereon and any and all of City's interest(s) in and/or to the Concession Facility, improvements, appurtenant facilities, and/or other property(ies), from any and all such taxes and assessments, including any and all interest, penalties and other expenses which may be imposed thereby or result therefrom, and from any lien therefore or sale or other proceedings to enforce payment thereof.

Nothing within this Section of This Article shall be deemed to limit any of Concessionaire's rights to appeal any such levies and/or assessments in accordance with the rules, regulations, laws, statutes, or ordinances governing the appeal process of the taxing authority(ies) making such levies and/or assessments.[1]

ARTICLE V - CONCESSIONAIRE'S OPERATIONS

Section 5.01: Operational Rights.

The operational rights granted herein must be used by the Concessionaire for the purpose of providing Rental Car service and incidental and related services at the Airport, and for the purposes of arranging for such services for the public using the Airport, at destinations where Rental Car services are furnished by the Concessionaire.

Section 5.02: Standards of Operation.

The principal purpose, for which the City is entering into this Agreement, is to make the Rental Car services which the Concessionaire is permitted to render hereunder available to the travelers and other Airport Patrons. The services herein stipulated to be in effect at the outset of the Term and any other incidental and related services which the City reserves the right to require the Concessionaire to establish during the Term are not intended to create equal competitive forces between the Concessionaire and the other Concessionaires. Rather, the minimum services stipulated or reserved for stipulation are established for the purpose of providing rental car services which are generally equal in quality for all Airport Patrons and air travelers without regard to which Terminal Buildings the individual may be seeking service from or to.

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[1] Any interest in real property which exists as a result of possession, exclusive use, or a right to possession or exclusive use of any real property (land and/or improvements located therein or thereon) which is owned by the City of Fresno (Lessor) is a taxable possessory interest, unless the possessor of interest in such property is exempt from taxation. With regard to any possessory interest to be acquired by Concessionaire, Concessionaire, by its signature(s) hereunto affixed, warrants, stipulates, confirms, acknowledges and agrees that, prior to its executing this agreement, the company either took a copy hereof to the office of the Fresno County Tax Assessor or by some other appropriate means, independent of city or any employee, agent or representative of city determined, to company's full and complete satisfaction, how much company shall be taxed, if at all.

Therefore, the Concessionaire covenants and agrees that it will perform the permitted services by adhering to high standards of operations including but not limited to the following:

A. The Concessionaire will be open for and will conduct business and furnish services seven days per week, from a time each day thirty (30) minutes before the first scheduled airline departure or the time of the first scheduled airline arrival, whichever occurs earlier; to a time thirty (30) minutes after the actual time of the last airline arrival or the time of the last airline departure, whichever occurs later. The schedule of business hours so established shall be subject to periodic review upon written request of Concessionaire to Director or Director to Concessionaire. As a result of such review, Director may require an expansion or allow reduction of the hours of operation as public demand requires. In no event shall the hours of operation be curtailed to an extent that the service contemplated herein shall be diminished.

B. The Concessionaire will select and appoint a manager of the Concessionaire's operation at the Airport who must be a qualified and experienced manager or supervisor vested with full power and authority with respect to the conduct of Rental Car operations at the Airport. Such manager or supervisor will be assigned to a duty station or office at the Airport where he/she will ordinarily be available during regular business hours; and, at all times during his/her absence, a responsible subordinate must be in charge and available at such duty station or office.

C. The Concessionaire must furnish high quality, prompt and efficient service hereunder, adequate to meet all reasonable demands therefore at the Airport and must furnish said services on a fair, equal and non-discriminatory basis to all categories of users.

D. The Concessionaire must provide and maintain Rental Cars made available hereunder at the Concessionaire's sole expense, in good operative order, free from known mechanical defects, and in a clean, and neat condition inside and outside

G. The Concessionaire must make available at the Airport only new and late model Rental Cars in such number as is required by the demand for same.

H. The Concessionaire shall maintain a rental car fleet which shall meet or exceed the Corporate Average Fuel Economy (CAFE) fuel efficiency standard published by the United States Environmental Protection Agency in each Agreement Year.

I. A current copy of the Rental Car agreement form covering the use of the Concessionaire's Rental Cars must at all times be available to the office of the Director.

J. The Concessionaire covenants that it will take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder, and the Concessionaire must not intentionally divert or cause or allow any such business to be diverted from the Airport by referral or any other method. Any action taken by the Concessionaire intentionally to induce its patrons to rent or receive Rental Cars in such a manner and at such places so as to diminish the Gross Revenue of the Concessionaire under this Agreement will constitute a material breach hereof and be cause for the termination of this Agreement by the City.

K. The Concessionaire's personnel performing services hereunder to the Airport Patrons must be distinctively uniformed, neat, clean and courteous.

Section 5.03: Multiple Brands owned by Parent Company.

A. Parent Entity identifies they are doing business as: Avis Car Rental, Budget Car Rental, Payless Car Rental, and Zipcar.

B. Each Parent Entity may operate as many Brands within their company as desired.

C. The minimum term of each Brand listed in this Agreement is two (2) years.

1. Terminating a Brand. A Parent Entity may terminate a specific Brand after a term of two (2) years, upon ninety (90) days written notice.

2. Adding a Brand. A Parent Entity may add a Brand in the mid-term of this Agreement. The term for added Brand will be a two (2) year minimum or through the term of the Concession Agreement, whichever is less.

   i. Parent Entity shall be solely responsible for all costs associated with adding the Brand, such as rebranding and signage.

ARTICLE VI - INDEMNIFICATION, EXCEPTION OF CITY, AND INSURANCE

Section 6.01: Indemnification.

Concessionaire shall hold City completely harmless and indemnify, protect and defend City and each of its officers, officials, employees, agents and volunteers against any and all claims, judgments, fines, penalties, forfeitures, damages, demands, liabilities, suits, notices, costs and expenses [including all reasonable costs and expenses for investigation and defense thereof (including, but not limited to attorney fees, court costs and expert fees)], or any one, more or all of these, of any nature whatsoever, arising or allegedly arising, directly or indirectly, out of, as a result of, or incident to, or in any way connected with: (1) Concessionaire's occupancy(ies) and/or use(s) of any part or all of the Concession Facility; (2) Concessionaire's exercise of any one, more or all of the rights and privileges herein granted; (3) any breach or default in the performance of any obligation on Concessionaire's part to be performed under the terms of this Agreement; and/or (4) any act(s) or omission(s) on the part of Concessionaire and/or any officer(s), agent(s), employee(s), contractor(s), sub-contractor(s), servant(s), or representative(s) of Concessionaire during the Term, except for any claims, judgments, fines, penalties, forfeitures, damages, demands, liabilities, suits, notices, costs and expenses, or any of these, caused solely by the gross negligence or by the willful misconduct of City or any of its officials, officers, or employees acting within the scope of their duties for City.

Concessionaire shall conduct all defenses at no cost or expense to the City. City shall be reimbursed for all costs and attorney's fees incurred by City in enforcing this obligation. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Concessionaire. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Concessionaire and its officials, officers, employees, agents and volunteers.

City shall give to Concessionaire reasonable notice of any such claims or actions.

The provisions of this section of this article shall survive the expiration or early termination of this Agreement.

Section 6.02: Exemption of City.

Concessionaire hereby specifically warrants, covenants and agrees that City shall not be liable for injury to Concessionaire's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property located in, upon or about the Concession Facility or elsewhere on Airport under authority hereof, whether belonging to Concessionaire, or any employee, agent, contractor, sub-contractor, tenant, sub-lessee of Concessionaire, or any other person whomsoever. The City shall not be liable for any injury to the person of Concessionaire or Concessionaire's employees, agents, contractors, subcontractors, tenants, sub-lessees, customers, or invitees, whether or not said damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the leakage, breakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether or not the said damage or injury results from conditions arising in or on any part or all of the Concession Facility or in or on any of the improvements/ facilities appurtenant thereto located therein or thereon, or from other sources or places, and regardless of whether or not the cause of such damage or injury or the means of repairing the same is inaccessible to Concessionaire. Concessionaire also covenants and agrees that City shall not be liable for any damages arising from any act or neglect on the part of any third parties.

Section 6.03: Insurance.

Concessionaire shall, at Concessionaire's expense, obtain and, throughout the Term, maintain in full force and effect all policies of insurance required hereunder, with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-/VII" in Bests Insurance Rating Guide, or (ii) authorized by City's Risk Manager or his/her designee. The following policies of insurance are required:

A. Commercial General Liability insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CG 00 01 and shall include insurance for "bodily injury", "property damage" and "personal and advertising injury", including premises and operation, products and completed operations and contractual liability (including, without limitation, indemnity obligations under the Agreement) with limits of liability of not less than $2,000,000 per occurrence and $3,000,000 general aggregate for bodily injury and property damage, $2,000,000 per occurrence for personal and advertising injury and $3,000,000 aggregate for products and completed operations.

B. Commercial Automobile Liability insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than $3,000,000 per accident for bodily and property damage.

C. Workers' Compensation insurance as required under the California Labor Code.

D. Employers' Liability insurance with limits of liability of not less than $2,000,000 each accident, $2,000,000 disease each employee and $2,000,000 disease policy limit.

Defense costs shall be provided as an additional benefit and not included within the above limits of liability. Concessionaire shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Concessionaire shall also be responsible for payment of any self-insured retentions.

The above-described policies of insurance shall be endorsed to provide an unrestricted thirty (30) day written notice in favor of City, of policy cancellation, change or reduction of coverage, except for the Workers' Compensation policy, which shall provide a ten (10) day written notice of such cancellation, change or reduction of coverage. Upon issuance by the insurer, broker, or agent of a notice of cancellation, change or reduction in coverage, Concessionaire shall file with City a certified copy of the new or renewal policy and certificates for such policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name the City of Fresno, its officers, officials, employees, agents and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Concessionaire's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees and volunteers. Concessionaire shall furnish City with the certificate(s) and applicable endorsements for ALL required insurance prior to City's execution of this Agreement at the following address:

City of Fresno
Airports Department
4995 E. Clinton Way
Fresno, CA 93727

or to such other address as City may, from time to time, provide Concessionaire in writing during the Term. Concessionaire shall furnish City with copies of the actual policies upon the request of City's Risk Manager or his/her designee at any time during the Term or any extension, and this requirement shall survive termination or expiration of this Agreement.

Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Agreement.

Concessionaire shall have the right to provide the coverage specified in this Article by a program of self-insurance, which has been approved by the State of California. Concessionaire shall furnish City with a self-insured certificate of insurance and applicable endorsements. Said certificate and applicable endorsements shall document that Concessionaire's self-insurance program is approved by the State of California; the retention level of such self-insurance program; the City and its officials, officers, employees, agents and volunteers are named as additional insureds; and that the policy of insurance is primary and no contribution shall be required by City. Concessionaire shall also supply the name of Concessionaire's excess insurance carrier at the time the certificate of self-insurance is supplied to City.

Section 6.04: Delivery to Director of Evidence of Insurance.

Concessionaire must deliver, without request or demand, to the Director, a certificate of insurance and all applicable endorsements or other evidence of insurance coverage required by this Article in form and content satisfactory to City's Risk Manager or his/her designee. Concessionaire must update such evidence of insurance not less frequently than annually.

Section 6.05: Expiration of Insurance Policy.

Prior to the expiration of any insurance policy required by this Article, Concessionaire must submit to the Director a certificate of insurance and all applicable endorsements showing that such insurance coverage has been renewed. If such coverage is cancelled or reduced, Concessionaire, within five business days following the date of written notice from the insurer of such cancellation or reduction in coverage, must file with the Director a certificate of insurance and all applicable endorsements showing that the required insurance has been reinstated or provided through another insurer or insurers.

Section 6.06: Adjustment of Claims.

Concessionaire must provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of Concessionaire under this Agreement.

Section 6.07: Conditions of Default.

If, at any time, Concessionaire fails to obtain and maintain the insurance required herein, City may but shall not be required to affect such insurance by taking out a policy or policies in a company or companies satisfactory to City. The amount of the premium or premiums paid for such insurance must be payable by Concessionaire to City with the installment of fees thereafter next due under the terms of this Agreement, with interest thereon at the rate of the lesser of one and one-half percent (1.5%) per month or the legal maximum.

ARTICLE VII - HYPOTHECATION, SUB-LEASE, AND ASSIGNMENT

Section 7.01: General.

Nothing within this Agreement contained shall be deemed to allow Concessionaire or Concessionaire's successors or assigns, either voluntarily or by operation of law, to hypothecate, encumber, sell, assign, surrender, or otherwise transfer this Agreement, in whole or in part; or to hypothecate, encumber, sell, assign, surrender, or otherwise transfer, in whole or in part, any of Concessionaire's rights, title and interests in or to any part or all of the Concession Facility and/or in or to any part or all of the improvements and appurtenances which existed therein or thereon at the commencement of the Term or which may, at any time and from time to time, be constructed/installed therein or thereon during the Term; or to rent, sub-let or otherwise permit/allow/suffer occupancy and/or use of any part or all of the Concession Facility by any other person or entity, except as herein specifically provided for and in the manner and under the conditions herein expressly set forth, and any and all such action(s) which shall be contrary to and/or not in full conformity with the provisions hereof shall be null and void.

Section 7.02: Hypothecation.

During the Term, Concessionaire shall not offer, mortgage, hypothecate, pledge, or otherwise encumber either this Agreement, the Concession Facility, any improvement(s) constructed/placed/installed/located on or in said Concession Facility, or any of Concessionaire's rights, title, and/or interest in or to any one or more of these, for any purpose whatsoever, any and all such actions by Concessionaire being expressly prohibited hereby.

Section 7.03: Sub-lease.

During the Term, Concessionaire shall not rent, sub-lease, or suffer or permit the occupancy and/or use of any part or all of the Concession Facility by any other person or entity, not a part of the Parent Entity, unless obtained through transfer by operation of law, whomsoever for any reason whatsoever, any and all such actions by Concessionaire being expressly prohibited hereby.

Section 7.04: Assignment.

A. City's Consent Required: Concessionaire may not and shall not assign this Agreement to any other Parent Entity, non-affiliated brand or other rental car company without first obtaining the written consent of City in advance.

   1. Any attempted/purported assignment of this Agreement without City's advance written consent shall be null and void and shall constitute a breach of this Agreement.

   2. City shall not be obligated to consent to and may withhold consent to any assignment of this Agreement by Concessionaire to any other rental car company where Concessionaire shall be in default of any of its obligations hereunder as of the date on which City's consent to such assignment would have otherwise been given.

   3. City's consent to any such action shall not constitute a waiver of the conditions, limitations, and restrictions of this Section of this Article relative to further or other such actions, which conditions, limitations, and restrictions shall apply to each and every transfer and/or assignment hereof and shall be binding upon each and every assignee, transferee, and/or other successor in interest of Concessionaire, subject to the provisions hereof.

B. Advance Notice by Concessionaire: In the event of any proposed assignment of this Agreement by Concessionaire (as Assignor), to another rental car company (as Assignee), Concessionaire shall, not less than thirty (30) days prior to the proposed effective date of such action, provide City with written notice of the proposed assignment and assumption of this Agreement, setting forth the following:

   1. The name, address and telephone number of the proposed Assignee; and

   2. The planned effective date of the proposed assignment and assumption action.

C. Documents to Accompany Concessionaire's Notice: The notice that the Concessionaire provides to City pursuant to the provisions hereof shall be accompanied by:

   1. Fully executed original set(s) of any and all documents being used to effect the proposed actions set forth within such notice in the number then specified by and in a form acceptable to City.

2. All such documents shall, as, when, and where applicable and appropriate, by a specific provision therein contained, clearly evidence the fact that the Assignment and the assumption agreements and actions specified therein are subject to and/or conditioned upon City's consenting thereto and that such actions shall not become effective nor be binding on either Concessionaire, as Assignor, or the Assignee named therein, unless and until such consent shall be given by City in writing.

D. The Assignment/Assumption Agreement shall contain:

1 An "assignment of Concession Agreement" by Concessionaire whereby Concessionaire assigns all of its rights, title and interests in and to this agreement to the assignee;

2 An "Assumption of Concession Agreement" by Assignee which shall clearly evidence the fact that, as of the effective date of such assumption of this Agreement, Assignee assumes any and all of the obligations of Concessionaire under this Agreement and shall, on and after said date undertake, perform, keep and/or observe any and all of the terms, covenants, conditions, warranties, agreements, and/or provisions of this Agreement to be undertaken, performed, kept, and/or observed by Concessionaire; and

3 The specific date on which the Assignment and Assumption Agreements shall be effective.

E. Modification of Documents: Once City's consent is given for any Assignment and Assumption Agreements, the documents provided City pursuant to the provisions hereof shall not be modified, in any way whatsoever, other than in writing, signed by the parties in interest at the time of the modification, and any such modification shall be null and void unless City's consent thereto, in writing, shall have been obtained by Concessionaire in advance.

Section 7.05: Transfer by Operation of Law.

Any assignment or transfer of this Agreement by operation of law or any issuance, sale or transfer of a sufficient number of shares of stock or other ownership interest in Concessionaire to result in a change in control of the Concessionaire will be deemed an assignment of this Agreement for purposes of this Section; provided, however, that nothing in this Section will be deemed to require such consent solely as a result of issuance, transfer or sale of shares or ownership interests among the existing stockholders or other owners of the Concessionaire; transfer of shares or ownership interests by devise or descent upon the death of any existing stockholder; merger of the Concessionaire into any parent or subsidiary corporation of the Concessionaire or sale of all of Concessionaire's stock or ownership interests to any parent or subsidiary of Concessionaire.

Section 7.06: Modification.

Unless stated otherwise in this Agreement, no provision of this Agreement may be waived, modified or amended except by written amendment signed by City and Concessionaire.

No act, conversation or communication with any officer, agent, or employee of City, either before or after the execution of this Agreement, will affect or modify any term or terminology of this Agreement and any such act, conversation or communication will not be binding upon City or Concessionaire.

ARTICLE VIII – CONCESSIONAIRE AND JOINT PARTY IMPROVEMENTS

Section 8.01: Improvements by Concessionaire.

Subject to the provisions of this Lease, the Concessionaire, at its sole cost may make improvements at the Ready Return lot, such additional improvements and install additional equipment as may be required by its operation, subject to prior written approval of the Director.

Section 8.02: Preparation of Plans and Specifications.

The Concessionaire must develop detailed drawings, plans and specifications for any improvements it intends to make to the premises.

Section 8.03: Design Control.

Prior to commencement of working drawings and specifications for any construction, modifications, and/or improvements to be made by the Concessionaire, the Concessionaire must submit to the Director, all proposed design concepts, including architectural renderings showing appearance, types of materials and colors proposed for all improvements and equipment to be placed or erected upon the premises. All design and construction work must meet City standards as applicable and receive prior written approval from the Director.

Final plans and specifications for the construction and installation of the improvements and the equipment must be submitted to the Director for his written approval prior to commencement of construction or installation of said improvements and equipment.

Section 8.04: Contractor's Indemnification and Insurance.

In any construction contract between the Concessionaire and its contractors, consultants, architects and engineers pertaining to improving and equipping the Ready Return Lot, the Concessionaire must require the contractor, consultants, architects and engineers to indemnify, defend and hold harmless the City and its officers, officials, employees, agents and volunteers in accordance with Section 6.01 and maintain General Liability, Auto Liability, Workers' Compensation and Employer's Liability insurance in accordance with Section 6.03. Concessionaire shall ensure that contractors, consultants, architects and engineers comply with all other conditions of Section 8.03. Concessionaire shall require any consultant, architects and engineer to maintain Professional Liability insurance with limits of liability of not less than $1,000,000 each occurrence and $2,000,000 general aggregate. Said insurance requirements may change from time to time and must be in a form reasonably agreeable to the City.

Section 8.05: Certificates of Completion.

Upon the completion of any improvements made by the Concessionaire, on the premises, the Concessionaire must submit to the Director a copy of its acceptance letter certifying completion, and a certified copy of any certificate or permit which may be required by federal, state or local government or agency in connection with the completion or occupancy thereof by the Concessionaire.

The Concessionaire must deliver to the City duplicate copies of 'as-built' plans and specifications of completed improvements on the premises within thirty (30) days after the date on which the Concessionaire has certified completion thereof. At the same time, the Concessionaire must submit to the Director an itemized statement prepared and certified by the architect and engineer for the design and construction of the facilities and certified by an officer of the Concessionaire, showing the actual cost of such improvements, and must, if so requested by the City in writing, produce copies of all invoices and other records in connection therewith. Said itemized statement must, unless disputed in writing by the City within sixty (60) days next following receipt thereof from the Concessionaire, constitute *prima facie* evidence of the costs shown therein.

Section 8.06: Title to Exclusive Use Premises, Improvements and Equipment.

Title to the premises, and to tenant improvements and equipment paid for with the Concessionaire Allowance will at all times remain in the City. At the Termination Date or any earlier termination of this Lease, title to all tenant improvements, excepting only the Concessionaire's trade fixtures, equipment and other property that Concessionaire purchased with other than the Concessionaire Allowance, installed or placed in, on or about the Exclusive Use Premises, and that may be removed without material damage to the premises, will be and remain in the City, free and clear of all liens and encumbrances.

Section 8.07: Joint Party Improvements Program.

It is contemplated that City, Concessionaire, and the Industry, will jointly develop an Improvements Program to reconfigure and remodel the counter space located in the baggage claim area of the Terminal. This program will include projects which are common to the Industry which will be the City's projects to develop, and projects which are part of the Concessionaire's Concession Facility, which will be the Concessionaire's projects to develop, and projects which are part of the Industry's Concession Facilities, which will be the Industry's projects to develop. This Improvements Program will be planned by the City with direct input and coordination from Concessionaire and the Industry. Methods of implementation of design and delivery of improvements will be determined jointly among City, Concessionaire and Industry during the planning phase, and then carried out accordingly. When this remodel occurs the Concessionaires will be granted a certain allowance for changes to their exclusive use area. The amount of the allowance and the expenses eligible for reimbursement under this allowance will be addressed in a subsequent side letter between the parties.

Section 8.08: Performance and Payment Bonds.

In order to guarantee the completion of any/all improvements to the premises undertaken by the Concessionaire and the payment of all laborers and material suppliers, the Concessionaire must ensure that a one hundred percent (100%) performance and a one hundred percent (100%) payment bond is furnished to the City in the full amount of any contract for such work. Said performance and payment bond must be in a form satisfactory to the City. All sums derived from any performance and payment bond must be used for the completion of said improvements and the payment of laborers and material suppliers.

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ARTICLE IX - DEFAULTS AND REMEDIES

Section 9.01: Default by City.

City shall not be in default unless City fails to perform obligations required of City under this Agreement within a reasonable period of time, but in no event later than thirty (30) days after written notice is served upon City by Concessionaire specifying wherein City has failed to perform any such obligation; provided, however, that if the nature of City's obligation is such that more than thirty (30) days may reasonably be deemed to be required for performance, then City shall not be in default if City commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In the event any default shall occur, Concessionaire may declare this Agreement and all rights and interests thereby created to be terminated. Concessionaire expressly waives any claim against City, its officers, agents, or employees for loss of anticipated profits in any suit or proceeding involving this Agreement or any part hereof.

Section 9.02: Default by Concessionaire.

A. Defaults: The occurrence of any of the following events shall constitute a material default and breach of this agreement by Concessionaire:

1. The vacating or abandonment of all or any part of the Concession Facility by Concessionaire which reduces its average fleet size, staffing level and operating capability in any Agreement Year to less than seventy-five percent (75%) of that which existed at the same period the previous Agreement Year, as determined solely and exclusively by the Director.

2. The failure by Concessionaire to use the Concession Facility for lawful purposes and in accordance with Section 2.03.A only and/or failure by it to comply with or observe any statute, law, ordinance, rule, regulation, standard or requirement of any federal, state, or local government entity with respect to its occupancy(ies) and/or use(s) of any part or all of the Concession Facility, as such statutes, laws, ordinances, rules, regulations, standards or requirements exist(ed) on the commencement date of the Term or as such may exist at any time and from time to time during the Term, where any such failure shall be evidenced by either a finding or judgment of any court of competent jurisdiction or where any such shall be admitted by Concessionaire in any proceeding brought against Concessionaire by any government entity.

3. The inability of and/or failure of Concessionaire to obtain, pay for, and maintain in full force and effect at all times during the life of this Agreement, without any lapse in coverage, such insurance as shall be required of Concessionaire in Article XI hereunder.

4. The occurrence of any of the following:

   (a) Concessionaire's becoming insolvent or the making by it, of any general arrangement or an assignment for the benefit of creditors;

   (b) The filing by or against Concessionaire of a petition to have it adjudged a bankrupt or a petition for reorganization or arrangement under any law

relating to bankruptcy unless, in the case of a petition filed against Concessionaire, the same is dismissed within sixty (60) days;

(c) The appointment of a receiver to take possession of substantially all of Concessionaire's assets located in, on or about, the Concession Facility or elsewhere on Airport, or of its interest in this Agreement, where possession is not restored to Concessionaire within thirty (30) days; or

(d) The attachment, execution or other judicial seizure of substantially all of Concessionaire's assets located in, on or about the Concession Facility or elsewhere on Airport, or of Concessionaire's interest in this Agreement, where such seizure is not discharged within thirty (30) days.

5. The discovery by City that any financial statement provided to the City by Concessionaire, any Assignee of Concessionaire, any sub-lessee/-company of Concessionaire, any successor in interest of Concessionaire, or any guarantor of Concessionaire's obligations hereunder, and/or any one or more of such persons or entities, was materially false.

6. Any attempted/purported hypothecation, encumbrance, sale, assignment, or transfer of either this Agreement, in whole or in part; or of any of Concessionaire's rights, title and interests in or to any part or all of the Concession Facility and/or in or to any part or all of the improvements and appurtenances thereto which exist(ed) therein or thereon at the commencement of the Term or which may at any time and from time to time be constructed or installed therein or thereon during the Term or any attempted/purported subletting or permitting occupancy of any part or all of the Concession Facility by any person or entity other than Concessionaire, without City's prior written consent.

7. The failure by Concessionaire to make any payment of rent or Annual Concession Fees or any other required payment, or to furnish any Security Deposit or instrument, as and when due hereunder, where such failure shall continue for a period of ten (10) days following service of notice thereof upon Concessionaire by City.

8 The failure by Concessionaire to actively conduct a Rental Car business at Airport for a period of seventy-two (72) consecutive hours, where such failure shall continue for a period in excess of seventy-two (72) hours following service of notice thereof upon Concessionaire by City; provided, however, Concessionaire shall not be in default and breach under this sub-paragraph of this Section of this Article, where such failure to conduct a Rental Car business at airport shall have been caused by circumstances beyond Concessionaire's control.

9. The failure of Concessionaire to keep, observe, undertake, fulfill, or perform any of the terms, covenants, conditions, warranties, agreements, obligations, and/or provisions of this Concession Agreement to be kept, observed, undertaken, fulfilled, and/or performed by it, other than those hereinabove within sub-paragraphs "A" through "H" of this Section of this Article expressly set forth, where such failure shall continue for a period of thirty (30) days following service of notice thereof upon Concessionaire by City; provided, however, that if the

nature of Concessionaire's default is such that more than thirty (30) days are reasonably required for its cure, then Concessionaire shall not be deemed to be in default and breach of this Agreement if Concessionaire commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion as soon as reasonably possible following service of such notice upon Concessionaire by City.

10. Failure to maintain in full force and effect a Service Facility Lease Agreement at all times hereunder.

B. City's Remedies:

1. Abandonment: If Concessionaire abandons all or any part of the Concession Facility, this Concession Agreement shall continue in effect. City shall not be deemed to terminate this Concession Agreement as a result of such material default and breach other than by written notice of termination served upon Concessionaire by City, and City shall have all of the remedies available to City under Section 1951.4 of the Civil Code of the State of California so long as City does not terminate Concessionaire's right to possession of the Concession Facility, and City may enforce all of City's rights and remedies under this Agreement, including the right to recover the rents and the Annual Concession Fees as such becomes due under this Agreement. After abandonment of the Concession Facility by Concessionaire, City may, at any time thereafter, give notice of termination.

2. Termination: Upon the occurrence of any material default and breach of this Agreement by Concessionaire as set forth within paragraph 1 of this Section of this Article, above, City may then immediately, or at any time thereafter, terminate this Agreement by service of a minimum of ten (10) days advance written notice to such effect upon Concessionaire and this Agreement shall terminate at 11:59:59 p.m., on the termination date specified within such notice.

(a) Such notice shall, as a minimum, set forth the following:

(i) The default and breach which resulted in such termination by City; and

(ii) A demand for possession, which, in the event only ten (10) days advance notice shall be given by City, shall be effective at 12:00:01 a.m., on the eleventh (11th) calendar day following the date on which the notice in which such demand is contained shall be sufficiently served upon Concessionaire by City in conformity with the provisions of Article XII, "Notices", of this Agreement; or, if more than the minimum number of days advance notice shall be given, at 12:00:01 a.m., on the next day following the date specified within such notice as being the date of termination hereof.

(b) Such notice may contain any other notice which City may, at its option, desire or be required to give (e.g., "Demand For Payment" of any and all monies due and owing).

3. Possession: Following termination of this Agreement by City pursuant to the provisions of this Article, without prejudice to other remedies City may have by reason of Concessionaire's default and breach and/or by reason of such termination, City may:

   (a) Peaceably re-enter the Concession Facility upon voluntary surrender thereof by Concessionaire; or

   (b) Remove Concessionaire and/or any other persons and/or entities occupying the Concession Facility therefrom, and remove all personal property therefrom and store all personal property not belonging to City in a public warehouse or elsewhere at the cost of and for the account of Concessionaire, using such legal proceedings as may be available to City under the laws or judicial decisions of the State of California; or

   (c) Retake possession of the Concession Facility or relet the Concession Facility or any part thereof for such term (which may be for a term extending beyond the Term of this Agreement) at such rents and upon such other terms and conditions as shall be determined solely by City, with the right to make reasonable alterations and repairs to the Concession Facility.

4. Recovery: Following termination of this Agreement by City pursuant to the provisions of this Article, City shall have all the rights and remedies available to City under Section 1951.2 of the Civil Code of the State of California. The amount of damages City may recover following such termination of this Agreement shall include:

   (a) The worth at the time of award of the unpaid rents which had been earned at the time of termination of this Agreement;

   (b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination of this Agreement until the time of award exceeds the amount of such rental loss that Concessionaire proves could have been reasonably avoided;

   (c) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss for the same period Concessionaire proves could be reasonably avoided; and

   (d) Any other amount necessary to compensate City for all the detriment proximately caused by Concessionaire's failure to perform Concessionaire's obligations under this Agreement or which in the ordinary course of things would be likely to result therefrom.

5. Additional Remedies: Following the occurrence of any material default and breach of this Agreement by Concessionaire as set forth within paragraph 1 of this Section of this Article, above, in addition to the fore-going remedies, City may maintain Concessionaire's right to possession, in which case this Concession Agreement shall continue in effect whether or not Concessionaire shall have abandoned the Concession Facility and, so long as this Agreement is not

terminated by City or by a decree of a court of competent jurisdiction, City shall be entitled to enforce all of City's rights and remedies hereunder, including the right to recover the rent as it becomes due under this Agreement and, during any such period, City shall have the right to remedy any default of Concessionaire, to maintain or improve the Concession Facility without terminating this Concession Agreement, to incur expenses on behalf of Concessionaire in seeking a new sub-tenant, to cause a receiver to be appointed to administer the Concession Facility and any new or existing sub-leases and to add to the rent payable hereunder all of City's reasonable costs in so doing, with interest at the maximum reasonable rate then permitted by law from the date of such expenditure until the same is repaid.

6. Other: In the event Concessionaire causes or threatens to cause a breach of any of the covenants, terms or conditions contained in this Agreement, City shall be entitled to obtain all sums held by Concessionaire, by any trustee or in any account provided for herein, to enjoin such breach or threatened breach and to invoke any remedy allowed at law, in equity, by statute or otherwise as though re-entry, summary proceedings and other remedies were not provided for in this Agreement.

7. Cumulative Remedies: Each right and remedy of City provided for in this Article or now or hereafter existing at law, in equity, by statute or otherwise shall be cumulative and shall not preclude City from exercising any other rights or from pursuing any other remedies provided for in this Agreement or now or hereafter available to City under the laws or judicial decisions of the State of California.

8. Indemnification: Nothing contained within this Section of this Article affects the right of City to indemnification by Concessionaire, as herein provided, for liability arising from personal injuries or property damage prior to the termination of this Agreement.

ARTICLE X - REDELIVERY

Section 10.01: General.

Upon the expiration of the term of this Agreement and any extensions, or upon earlier termination as herein provided, Concessionaire shall have no further interest in the Concession Facility or the rights granted herein, and Concessionaire shall peaceably and quietly quit and deliver possession of the Concession Facility to City in as good order and condition as when received, except for reasonable wear and tear, and expecting any maintenance, repairs, reconstruction, and/or restoration which shall be the obligation of City pursuant to any of the provisions hereof. Concessionaire shall provide City with a recordable quitclaim or other recordable instrument to evidence the termination of any interests in the Concession Facility that Concessionaire may have under this Agreement.

ARTICLE XI - DESTRUCTION OF IMPROVEMENTS

Section 11.01: General.

If the Concession Facility or any part and the City-owned improvements, fixtures, and equipment located therein or thereon shall be partially or totally destroyed at any time during the Term, the respective rights and obligations of the parties hereto, with respect to repairing,

reconstructing, and restoring said premises and/or with respect to the matter of continuance or termination of this Agreement, shall be controlled by the provisions of this Article XI.

Section 11.02: Partial Destruction.

A. In the event the Concession Facility shall suffer partial destruction at any time during the Term, but shall not be rendered untenantable, then the Concession Facility shall be repaired, reconstructed, and restored by City, at City's cost and expense, as soon as possible, but within sixty (60) days, and payment of rents and Annual Concession Fees by Concessionaire shall continue without any abatement whatsoever.

B. In the event the Concession Facility shall suffer partial destruction at any time during the life hereof, if such damage shall be so extensive as to render the Concession Facility untenantable, but capable of being fully repaired, reconstructed, and restored within sixty (60) days, the Concession Facility shall be repaired, reconstructed and/or restored with due diligence by City, at City's cost and expense, during said period of time, and any rents payable by Concessionaire, hereunder, for the Concession Facility shall be prorated and paid to the date of such destruction but shall thereafter be abated until such time as the Concession Facility is restored to a tenantable condition.

Section 11.03: Total Destruction.

In the event, the Concession Facility shall suffer total destruction at any time during the Term:

A. City may (but shall not be obligated to so perform) repair/re-construct/restore the Concession Facility, and the monthly rents payable by Concessionaire therefore shall be prorated and paid to the date of such destruction and shall thereafter cease until such time as the Concession Facility is restored to a tenantable condition.

B. If within sixty (60) days after the date of such destruction City has not commenced repair/reconstruction/restoration of the Concession Facility or, if such action has been commenced during said period but the Concession Facility shall not have been fully repaired/ reconstructed/ restored to a tenantable condition within one hundred twenty (120) days following the date of such destruction, then at any time prior to the completion of such repair/reconstruction/ restoration by City, Concessionaire may cancel and terminate this Agreement by service of a minimum of thirty (30) days advance written notice upon City to such effect, in which event, this Agreement shall terminate as of the date specified within Concessionaire's notice.

Section 11.04: Limitation on City's Obligations.

The foregoing provisions of this Article notwithstanding, City shall not be liable for or obligated to reconstruct/repair/restore/re-install/replace any improvements or any furnishings, fixtures, or equipment, or other personal property installed/ placed/located in, on or about the Concession Facility by Concessionaire, Concessionaire's employees, agents, representatives, tenants, or sub-lessees.

Section 11.05: Concessionaire's Obligations.

In the event of any destruction to the Concession Facility which shall result in any reconstruction/ repair/restoration by City pursuant to any of the foregoing provisions of this Article, if such actions shall be taken by City and this Agreement remains in full force and effect

pursuant to the provisions hereof, then, immediately upon the Concession Facility being returned to a tenantable condition by City, Concessionaire shall, as soon as possible, but within thirty (30) days, at Concessionaire's cost and expense, reconstruct//reinstall/replace such Concessionaire-installed improvements, decorations, furnishings, fixtures and equipment as shall have been destroyed/ damaged so as to result in the Concession Facility being restored to substantially the same condition that existed immediately prior to such destruction/damage.

Section 11.06: Use Of Temporary Facilities.

In the event the Concession Facility or any part shall suffer destruction to such an extent that it is rendered untenantable for any period of time, City shall endeavor to make suitable temporary facilities for Concessionaire's temporary use until such time as the leased premises shall be returned to a tenantable condition.

In the event such temporary-use facilities are available and City offers such to Concessionaire, if Concessionaire accepts such temporary facilities, any and all costs and expenses associated with Concessionaire's adapting such facilities for its use, locating thereto, conducting its Rental Car business operations therein and therefrom, and relocating back to the Concession Facility once they are returned to tenantable condition shall be borne by Concessionaire.

Section 11.07: Waiver By Concessionaire.

Concessionaire waives the provisions of California Civil Code Sections 1932(2) and 1933(4) which relate to termination of leases when the thing leased is destroyed and agrees that such event shall be governed by the provisions of this Article of this Agreement.

ARTICLE XII - SIGNS

Section 12.01: Standard Signs.

A. Concessionaire shall be required to provide, at its cost and expense, any directional or service identification signs, which are required within the Concessionaire's Exclusive Use Area, which bear Concessionaire's company name or logo or brand.

B. Concessionaire may, at its option, install its company or business identification sign on any sign directories provided by City. The installation of such optional signs shall be subject to space availability, and City will not be required to provide space to Concessionaire if none is available. The airlines shall always have first priority, even to the extent of removing or relocating non-airline signs already in place if necessary to accommodate additional airline signs. Following the airlines, space assignments shall be on a first-come first-served basis.

C. All such standard signs, whether required or optional, shall be fabricated and installed in accordance with plans and specifications on file with Director and shall in every respect match the standards and appearance of existing signs. These signs shall be and remain the property of Concessionaire, and upon termination of this Agreement, all such signs shall be removed by Concessionaire and replaced with blank media.

Section 12.02: Non-Standard Signs.

A. Concessionaire shall be allowed to install its company logo and decor on the back wall behind the customer service counter or within the enclosed customer service area for

each brand they plan to offer. In such area Concessionaire may also post customary service oriented signs (such as flight schedules, business hours, etc.) and customary signs pursuant to legal or regulatory authority (such as limits of liability, airport security notices, etc.).

B. Concessionaire may also, from time to time, display within the customer service area special promotional signs (such as introduction of new service, special rates, etc.), provided that any such promotional signs shall be permitted only for limited periods of time.

C. No signs, banners, or advertising material shall be placed in front of the customer service counter, or anywhere outside of the Concession Facility. Concessionaire shall, however, have the right to purchase advertising space through the Airport advertising company, in which case any sign media must comply with the physical requirements of the advertising company and with the design requirements established by the City herein.

D. In the Ready Return Area, Concessionaire shall install signs which identify the Concessionaire and the number assigned to the parking space, in order to aid customers in locating specific Rental Cars. Such signs may not exceed seven hundred twenty (720) square inches in area, with the maximum dimension in any direction being thirty (30) inches. Colors, lettering, and style are to be determined by each of the Concessionaires for their respective spaces. However the design for all signs must be approved in advance by the Director. All such signs are to be prepared by August 15, 2014, in order to be available for the initial allocation of Ready Return parking spaces; any additional or modified signs required due to the annual reallocation of such area shall be available by October 1 of each subsequent Agreement Year. These signs shall be the property of the Concessionaire, and the cost of providing such signs shall be entirely borne by each of the Concessionaires for its signs.

Section 12.03: Conditions Applicable To Signs.

The following shall apply to any and all signs:

A. The location, size, type and style of each and every sign shall conform to and be compatible with the general architecture, design and appearance of the Terminal Building area and facilities.

B. No such sign shall be erected, installed or operated until Concessionaire has first submitted written request, together with descriptions, plans and drawings of such proposed sign, to Director and has received prior written approval from Director.

C. Concessionaire shall obtain any permits or approvals required for such signs and shall bear all costs and expenses pertaining to the construction, installation, maintenance, repair and removal of any and all such signs.

D. Any and all such signs shall be professionally designed, manufactured, installed and maintained so as to present at all times a professional and attractive appearance; hand written or hand printed signs are expressly prohibited. The size of such signs shall not exceed that which is required for recognition and, as to size and number, shall be limited to that which is prudent or required and to that which will preserve a neat and uncluttered appearance.

E. Except for the temporary promotional displays provided for above, Concessionaire is prohibited from installing or displaying any advertising material or signs in or about the Concession Facility and Terminal Building area.

F. Upon termination of this Agreement, all such signs shall be removed by Concessionaire, and Concessionaire shall be responsible for either restoring the Concession Facility where such sign(s) was located to original condition, or installing blank media, whichever is appropriate.

ARTICLE XIII - HOLDING OVER

Section 13.01: General.

In the event Concessionaire shall remain in possession of the Concession Facility or any part thereof, after the expiration of the Term of this Agreement, and thus hold over the Term, with or without the expressed written consent of City, such holding-over shall be a tenancy from month to month only, terminable by either party hereto upon service of a minimum of thirty (30) days advance written notice upon the other party.

Section 13.02: Rentals/Fees/Charges.

During any such holding-over period, Concessionaire agrees to pay and shall pay to City monthly rents, and monthly Percentage Fees and MAG and other fees and charges pursuant to this Agreement; provided, however, that the monthly rental to be paid by Concessionaire to City during any such holding over period for such space shall be at fair market value.

Section 13.03: Agreement Controls Computations.

During any such holding-over period, all rents, MAG/Percentage Fees payable monthly and other charges shall be calculated as specified within this Agreement.

Section 13.04: Agreement Controls Holdover Tenancy.

Except as otherwise specifically provided within this Article, any such holding over shall be subject to all the terms, covenants, conditions, restrictions, reservations, prohibitions, warranties, agreements, and provisions of this Concession Agreement applicable to a month to month tenancy.

ARTICLE XIV - NON-DISCRIMINATION

Section 14.01: Non-Discrimination.

A. To the extent required by controlling federal, state and local law, Concessionaire shall not employ discriminatory practices in the provision of services, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Subject to the foregoing and during the performance of this Agreement, Concessionaire agrees as follows:

1. Concessionaire will comply with all applicable laws and regulations providing that no person shall, on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, gender identification, ethnicity, status as a disabled veteran or

veteran of the Vietnam era be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement.

2. Concessionaire will not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, gender identification, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Concessionaire shall ensure that applicants are employed, and the employees are treated during employment, without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, gender identification, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Such requirement shall apply to Concessionaire's employment practices including, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Concessionaire agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.

3. Concessionaire will, in all solicitations or advertisements for employees placed by or on behalf of Concessionaire in pursuit hereof, state that all qualified applicants will receive consideration for employment without regard to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era.

4. Concessionaire will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising such labor union or workers' representatives of Concessionaire's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

Section 14.02: Airport Concession Disadvantaged Business Enterprise (ACDBE) Program.

City has developed and maintains and Concessionaire at all times hereunder shall comply with the Disadvantaged Business Enterprise Concession Plan for the Airport in accordance with U.S. Department of Transportation regulations 49 CFR Part 23, Subpart F, which plan establishes policies and procedures designed to promote City's interest in establishing Airport concession opportunities for Disadvantaged Business Enterprises and sets lawful, realistic and reasonable goals therefore, as enforceable in the Ninth Circuit.

Any questions concerning Disadvantaged Business Enterprise (DBE) issues should be directed to DBE Program Coordinator, City of Fresno, Finance; 2600 Fresno St., Room 2156; Fresno, CA 93721; Telephone (559) 621-1182 or Fax (559) 488-1069.

Section 14.03: Federal Immigration Reform and Control Act.

As a material part of any Concession on a City of Fresno property, every Concessionaire who has employees who will work on a City of Fresno property is required to comply with all of the

provisions of the Federal Immigration Reform and Control Act of 1986 (P.L. 99-603, 100 Stat. 3359). This requirement includes compliance with all of the employee documentation provisions. Furthermore, Concessionaire will make any employee documentation required to comply with such Act immediately available to City, upon its request for each individual employee working on a City of Fresno property.

ARTICLE XV - OFF AIRPORT PROVIDERS

Section 15.01: Governmental Compliance.

City agrees that all Off-Airport Rental Car Companies will be required to comply with all City laws, regulations and operating policies applicable thereto.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

Section 16.01: No Personal Liability.

No Councilperson, Director, officer employee or other agent of either party shall be personally liable under or in connection with this Agreement.

Section 16.02: Agreements with the United States.

This Agreement is subject and subordinate to the provisions of any agreements heretofore made between City and the United States relative to the operation, security or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for airport purposes, or to the expenditure of federal funds for development of the Airport, in accordance with the provisions of the Federal Aviation Act as it has been amended from time to time. This may include rules and regulations promulgated by the TSA and/or Airport security plan/requirements including pursuant to 49 CFR Part 1542, as modified from time to time by legislative/regulatory action. These FAA Grant Assurances attached hereto as Exhibit "C" are incorporated herein.

Section 16.03: Modifications for Granting FAA Funds/Bond Reimbursement.

In the event that the FAA requires modifications or changes to this Agreement, Concessionaire agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as reasonably may be required to enable City to obtain FAA funds.

The Concessionaire acknowledges that the City has issued Bonds and reimbursed expenditures related to the construction of the Concession Facility with Bond proceeds. This Agreement shall be deemed modified or, upon the mutual agreement of the parties, the Concession granted terminated, to any extent necessary to comply with the Indenture.

Section 16.04: Notices.

A. All notices required to be served by City or Concessionaire, one upon the other, under the terms of this Agreement shall be in writing.

B. All notices or demands of any kind which City shall have cause to serve upon Concessionaire under the terms of this Agreement shall be served upon Concessionaire by mailing a copy thereof by certified or registered mail, return receipt

requested, to Concessionaire at the address shown below or to such other address as Concessionaire may, from time to time, specify to City in writing.

C. All notices or demands of any kind which Concessionaire shall have cause to serve upon City under the terms of this Agreement shall be served upon City by mailing a copy thereof by certified or registered mail, return receipt requested, to City at the address shown below or to such other address as City may, from time to time, specify to Concessionaire in writing.

City of Fresno
Airports Department
4995 E. Clinton Way
Fresno, CA 93727

D. In the event of any service of notice or demand by mail, as aforesaid, such notice or demand shall be deemed to have been sufficiently served as of 12:00:01 a.m., on the fourth (4th) calendar day following the date of deposit in the United States mail of such certified or registered mail properly addressed and postage prepaid.

Section 16.05: Amendments.

This Agreement may be amended from time to time by written Amendment, duly authorized and executed by representatives the parties hereto.

Section 16.06: Headings; Construction of Agreement; Gender.

The headings of each Section of this Agreement are for reference only. Unless the context of this Agreement clearly requires otherwise, all terms and words used herein, regardless of the number and gender in which used, shall be construed to include any other number, singular or plural, or any other gender, masculine, feminine or neuter, the same as if such words had been fully and properly written in that number or gender. Words of any gender in this Agreement will be held and construed to include any other gender.

Section 16.07: Force Majeure.

Neither City nor Concessionaire will be deemed in violation of this Agreement if either is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of God, acts of public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which are not within its control.

Section 16.08: Exclusiveness of Concessionaire's Rights.

Nothing herein contained shall be deemed to grant to Concessionaire any exclusive right or privilege within the meaning of Section 3.08 of the Federal Aviation Act for the conduct of any activity on the Airport.

Section 16.09: Withholding Required Approvals.

Whenever the approval of City or Director or Concessionaire is required herein, no such approval shall be unreasonably, conditioned, delayed or withheld.

Section 16.10: Inspection of City Records.

Concessionaire, at its expense and upon reasonable notice, shall have the right to inspect the books, records and other data of City relating to the provisions and requirements hereof, provided such inspection is made during regular business hours.

Section 16.11: Successors and Assigns.

Subject to the limitations on assignment contained herein, all of the terms, provisions, covenants, stipulations, conditions and considerations in this Agreement shall extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

Section 16.12: Accord and Satisfaction.

No payment by Concessionaire or receipt by City of a lesser amount than the rent, fees and/or charges due to be made by Concessionaire hereunder shall be deemed to be other than on account of the rent, fees and/or charges due. No endorsement or statement on any check or in any letter accompanying any check or payment as rent; fees and or charges shall be deemed an accord and satisfaction. City may accept such check or payment without prejudice to City's right to recover the balance of such rent, fees and/or charges or to pursue any other remedy provided in this Agreement.

Section 16.13: Observation of Governmental Regulations.

City's Airport Rules and Regulations: City reserves the right to adopt, amend and enforce reasonable rules and regulations governing the Concession Facility and the public areas and facilities used by Concessionaire in connection therewith. Such rules and regulations shall be consistent with the safety, security and overall public utility of Airport and with the rules, regulations and orders of the Federal Aviation Administration (FAA) (or such successor agency[ies] as may, at any time and from time to time during the Term be designated by the Federal Government to perform either similar, new, additional, and/or supplemental functions, powers and/or duties with respect to air transportation, aircraft, Airports, etc.), and such rules and regulations shall not be inconsistent with the provisions of this Agreement or the procedures prescribed and approved, from time to time, by the FAA with respect to the operation of aircraft at the Airport. Concessionaire agrees to observe, obey and abide by all such rules and regulations heretofore or hereafter adopted or amended by City, including compliance with all FAA and Airport security rules, regulations and plans, including any and all measures mandated by the FAA from time to time to provide increased levels of security at Airport, and Concessionaire shall be fully liable to City for any and all claims, demands, damages, fines and/or penalties of any nature whatsoever which may be imposed upon City by the United States Government as a result of any unauthorized entry by Concessionaire, Concessionaire's employees, agents, representatives, servants, tenants, and/or sub-lessees, or vehicle operated by any of these or by a customer of Concessionaire, into any area of the Airport to which access by persons or vehicles is restricted/controlled pursuant to FAA/Airport Security Rules and Regulations.

Other Governmental Regulations: Concessionaire shall, at all times during the Term, observe, obey and comply with any and all laws, statutes, ordinances, codes, rules, regulations, and/or orders of any governmental entity(ies) lawfully exercising any control(s) over either the Airport or over any part or all of Concessionaire's activities/ operations thereon and/or therefrom, including, without limitation, any and all local business license and/or permit requirements.

Increased Levels of Security: In the event City must provide for an increased level of security in the areas occupied or used by any or all of the Concessionaires as mandated by the Transportation Security Administration ("TSA"), the Concessionaire agrees that the City shall have the following options:

1. Require Concessionaire to take whatever steps are necessary to meet the security requirements of the TSA mandate, at its own cost and expense; or

2. Close the Ready Return Areas. In the event of closure of any part of such Area the City may at its option provide an alternate location for such area, but shall not be required to do so; or

3. Take the steps necessary to provide the required additional security measures and assess the cost of those steps to Concessionaire. Such costs will be allocated among all the Concessionaires based on each Concessionaire's proportionate share of Ready Return Area. For example, a Concessionaire that occupies twenty-five percent (25%) of the ready return spaces will be responsible for twenty-five percent (25%) of the costs. City shall invoice Concessionaire directly, in arrears, for its share, and payment to the City shall be due upon receipt of such invoice. In the event that Federal reimbursement for such costs is made available to City, the City shall apply for such funds prior to seeking reimbursement from Concessionaire.

Section 16.14: Governing Law and Venue.

This Agreement shall be construed and governed in accordance with the laws of the State of California. The parties submit to the jurisdiction of the courts of the State of California, Fresno County judicial district.

Section 16.15: Waiver.

Waiver by City of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach of the same or of any other term, covenant or condition. No term, covenant, or condition of this Agreement can be waived except by written consent of City, and forbearance or indulgence by City in any regard whatsoever shall not constitute a waiver of same to be performed by Concessionaire to which the same may apply and, until complete performance by Concessionaire of the term, covenant or condition, City shall be entitled to invoke any remedy available to it under this Agreement or by law despite any such forbearance or indulgence.

Section 16.16: Modification.

Unless stated otherwise in this Agreement, no provision of this Agreement may be waived, modified or amended except in writing and signed by City.

Section 16.17: Severability of Provisions.

Except, as specifically provided in this Agreement, all of the provisions of this Agreement shall be severable. In the event that any provision of this Agreement is found by a court of competent jurisdiction to be unconstitutional or unlawful, the remaining provisions of this Agreement shall be valid unless the court finds that the valid provisions of this Agreement are so essentially and inseparably connected with and so dependent upon the invalid provision(s) that it cannot be presumed that the parties to this Agreement could have included the valid provisions without the

invalid provision(s); or unless the court finds that the valid provisions, standing alone, are incapable of being performed in accordance with the intentions of the parties.

Section 16.18: Conflicts of Interest.

Concessionaire certifies that no officer or employee of City has, or will have, a direct or indirect financial or personal interest in this Agreement, and that no officer or employee of City, or member of such officer's or employee's immediate family, either has negotiated, or has or will have an arrangement, concerning employment to perform services on behalf of Concessionaire in this Agreement.

Section 16.19: Public Address System.

Concessionaire shall permit the installation, within its Concession Facility, of outlets for the Airport public address system and allow the reception in and about its Concession Facility of flight announcements and other information broadcast over such system. Concessionaire may, at its option, have access to the public address system for the purpose of making customer-service announcements. Should Concessionaire elect to have such access, then Concessionaire shall pay to City such public address system fees as are established from time to time by the City Council.

Section 16.20: Employee Parking.

City has provided off-street parking facilities to meet the employee parking requirements of all persons whose primary place of duty is in the Airport's main passenger terminal/concourse Building complex/area, and, except as provided within paragraph 3 of this Section below, Concessionaire's employees shall be required to use such employee parking facilities/lots as are designated by Director and to pay appropriate employee parking fees for such use at such rates as are from time to time established therefore by the City Council.

Employee parking fees for Concessionaire's employees shall be paid to City by Concessionaire, as and when due, whether or not Concessionaire includes the costs of such parking in the benefits it provides its employees or requires its employees to reimburse it for the costs of such parking.

Nothing in this Section of this Article shall be construed to represent a prohibition against Concessionaire's allowing one, more or all of its employees to use, for employee parking purposes, space located on the Service Facility which Concessionaire occupies and uses on the Airport by separate agreement with City, and, in such event, no parking fees shall accrue to City with respect to those employees of Concessionaire who park their vehicles on such Service Facility.

Section 16.21: Special Provisions.

A. Concessionaire's Responsibility Regarding Hazardous Substances:

1. Definition: The term "Hazardous Substances", as used in this Agreement, shall include, without limitation, flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or

hereafter enacted or promulgated by any governmental authority. The terms "Environmental Law" or "Environmental Laws", as used in this Agreement, shall mean any and all federal, state, local laws, statutes, ordinances, rules, regulations and/or common law relating to environmental protection, contamination, the release, generation, production, transport, treatment, processing, use, disposal, or storage of Hazardous Substances, and the regulations promulgated by regulatory agencies pursuant to these laws, and any applicable federal state, and/or local regulatory agency-initiated orders, requirements, obligations, directives, notices, approvals, licenses, or permits, including but not limited to those for the reporting, investigation, cleaning, or remediation of any Hazardous Substances in, on under or about the Concession Facility.

2. Restrictions: Concessionaire shall not cause or permit to occur:

(a) Any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions in, on, under or about the Concession Facility, or arising from Concessionaire's use(s) or occupancy(ies) thereof, including, but not limited to, soil and ground water conditions; or

(b) The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance in, on, under or about the Concession Facility, or the transportation to or from the Concession Facility of any Hazardous Substance, except where: (1) such use, generation, release, manufacture, refining, production, processing, storage or transportation shall be expressly authorized in this Agreement; or (2) City's advance written consent to any such use, generation, release, manufacture, refining, production, processing, storage or transportation shall have first been requested in writing and received by Concessionaire. Any and all such authorizations/consents of City shall be deemed given subject to and conditioned upon Concessionaire's fully and faithfully complying with any and all federal, state, or local statutes, laws, ordinances, rules and/or regulations, now or hereafter enacted, applicable to the use, generation, manufacture, refining, production, processing, transport, transfer, storage, disposal and/or sale of that/those Hazardous Substances to which any such authorization/consent of City may, in any way whatsoever, be deemed to apply.

(c) Notwithstanding Subsection B, City's consent/approval shall not be required for the use, storage and disposal of materials/supplies containing hazardous substances where such materials/supplies are used on the Concession Facility in commercially reasonable quantities as a consumer and generator thereof, and in connection with the rental, leasing and storage of motor vehicles, for the cleaning and preparation of such vehicles, for fuel storage and dispensing fuel, for office, administrative and other uses incidental or related; provided

(i) So long as the use, storage and disposal of any and all of such materials/supplies shall be in full compliance with any and all federal, state and local statutes, laws, ordinances, codes, rules

and regulations applicable thereto now or hereafter enacted (including, without limitation, any and all Occupational Safety and Health statutes, laws, codes, rules and regulations of the Federal Government and the State of California).

Section 16.22: Entire Agreement.

This Agreement, together with all documents referenced herein and exhibits attached hereto, constitutes the entire Agreement between the parties. All other representations or statements heretofore made, verbal or written, are merged herein.

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ARTICLE XVII: SIGNATURE

IN WITNESS WHEREOF, the parties hereto, for themselves, their successors and assigns, have executed this Agreement, the day and year first above written.

CITY OF FRESNO, CALIFORNIA
A Municipal Corporation

By: _____
Kevin R. Meikle
Director of Aviation

Address for Notice:
City of Fresno
Airports Department
4995 E. Clinton Way
Fresno, CA 93727

ATTEST:
Yvonne Spence, CMC
City Clerk

By: _____
~~Deputy~~

APPROVED AS TO FORM:
Douglas T. Sloan
City Attorney

By: _____ 10/10/14
~~Mary Anne Tooke,~~ Deputy Date
RAJ SINGH BADHESHA

AVIS BUDGET CAR RENTAL, LLC.
A Delaware Corporation

By: _____
Robert Bouta

Title: Sr. V.P. Properties & Facilities

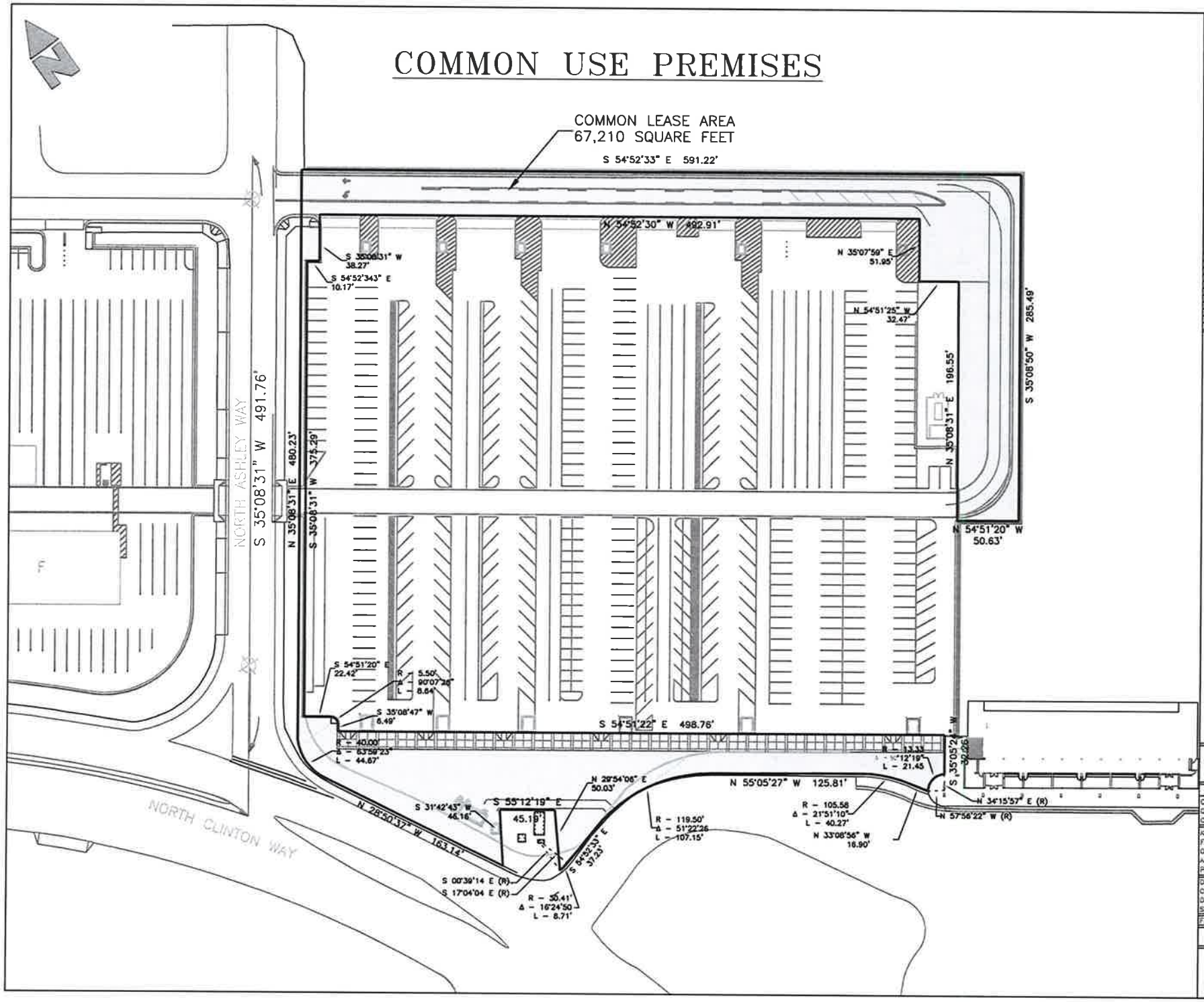
Address for Notice: Avis, Budget, Payless and ZipCar:

6 Sylvan Way
Parsippany, New Jersey 07054

Exhibit A	Description/Depiction of Consolidated Facility, Common Areas
Exhibit B	Description/Depiction of Concession Facility, Exclusive Use Areas
Exhibit C	FAA Grant Assurances
Exhibit D	Disclosure of Conflict of Interest Form
Exhibit E	Gross Revenues Statement Form
Exhibit F	Customer Facility Charge (CFC) Remittance Form
Exhibit G	Annual Rental Adjustment Calculation

EXHIBIT “A”

COMMON USE PREMISES



FRESNO YOSEMITE INTERNATIONAL AIRPORT

CITY OF FRESNO
AIRPORTS DEPARTMENT
4995 EAST CLINTON WAY
FRESNO, CALIFORNIA 93727
PHONE: 559-621-4000

CONSULTANT INFORMATION

REVISIONS/REFERENCE

REV NO.	DATE	DESCRIPTION
2	2/18/14	JS

AIRPORTS DEPARTMENT

FRESNO YOSEMITE INTERNATIONAL AIRPORT
RENTAL CAR CONCESSION LEASE AGREEMENT
COMMON USE PREMISES

DIRECTOR OF AVIATION
KEVIN R. MEIKLE, ARCHITECT

APPROVED
CONST. ENG.
OFFICE ENG.
CITY DESIGN ENG.

KRA #
FUND #
ORG #
ACTIVITY
PROJECT I.D.

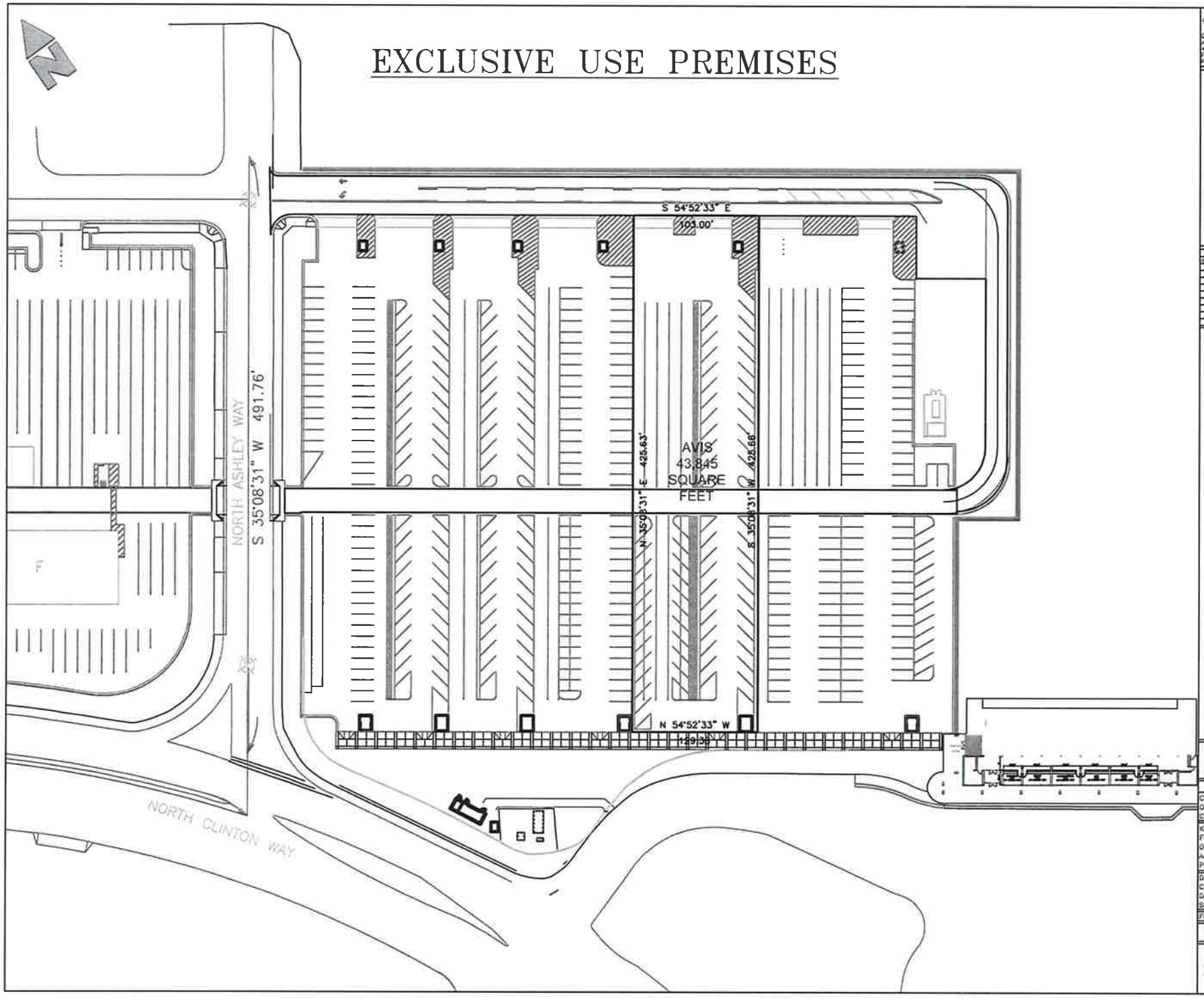
DRAWN BY: LNS
CHECKED BY: MC
DATE: 2-13-07
SCALE: 1 = 100
FILE:

CITY DRAWING NO.
25-A-354

PAGE 1
EXHIBIT A
OF 1 PAGES

EXHIBIT “B”

EXCLUSIVE USE PREMISES



FRESNO YOSEMITE INTERNATIONAL AIRPORT
CITY OF FRESNO
AIRPORTS DEPARTMENT
4995 EAST CLINTON WAY
FRESNO, CALIFORNIA 93727
PHONE: 559-621-4500

CONSULTANT INFORMATION

REVISIONS/REFERENCE

REV NO.	DATE	DESCRIPTION
2	10/19/14	AD

AIRPORTS DEPARTMENT

FRESNO YOSEMITE INTERNATIONAL AIRPORT
RENTAL CAR CONCESSION LEASE AGREEMENT
EXCLUSIVE USE AREA

DIRECTOR
OF AVIATION
KEVIN R. MEIKLE, ARCHITECT

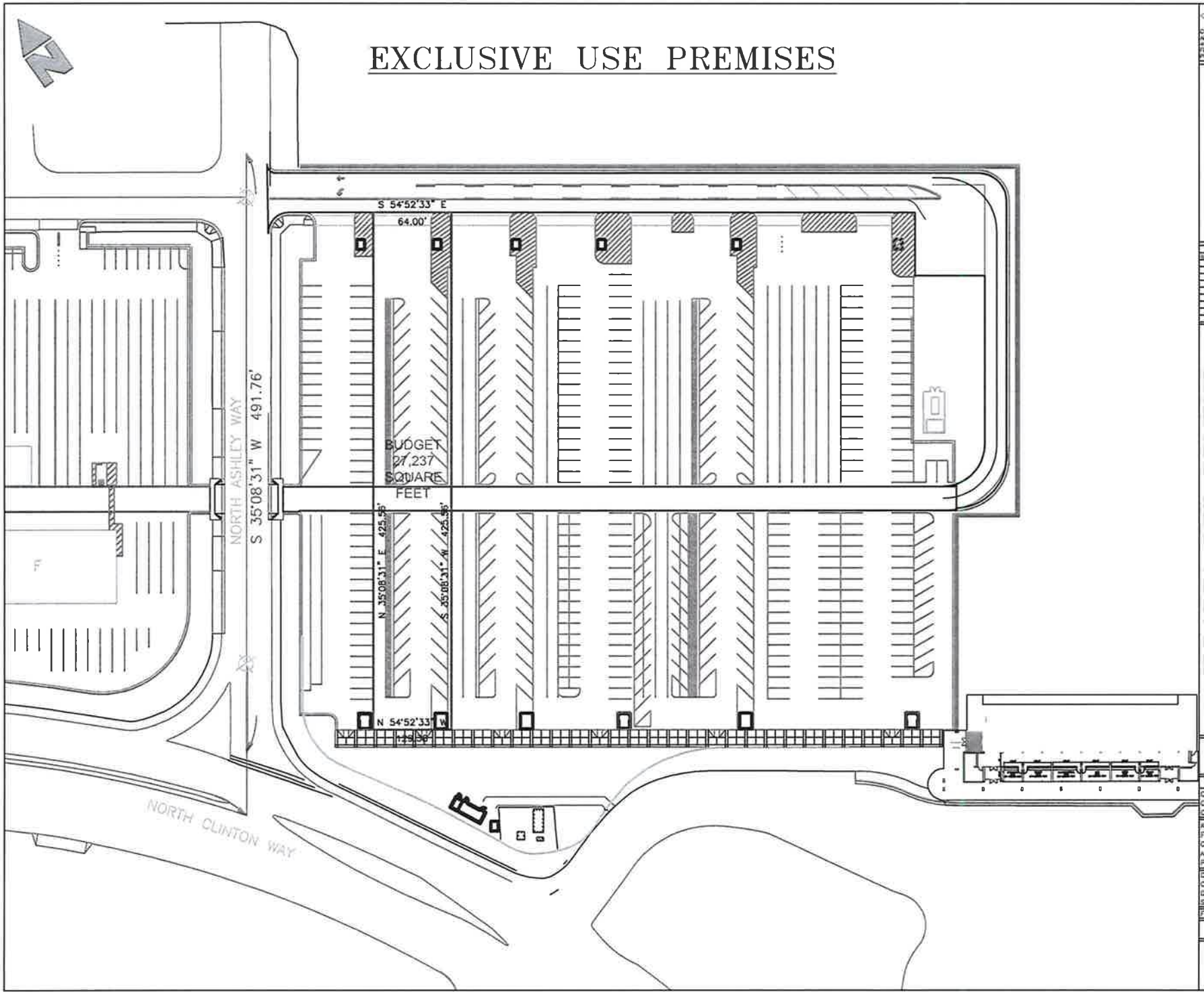
APPROVED
CONST. ENG.
OFFICE ENG.
CITY DESIGN ENG.

KRA #: 12202
FUND #:
ORG #:
ACTIVITY:
PROJECT I.D.:
DRAWN BY: LJS
CHECKED BY: MG
DATE: 2-13-07
SCALE: 1 = 100
FILE:

CITY DRAWING NO.
23-A-357

PAGE 1
EXHIBIT B
OF 3 PAGES

EXCLUSIVE USE PREMISES



FRESNO YOSEMITE INTERNATIONAL AIRPORT
CITY OF FRESNO
AIRPORTS DEPARTMENT
4995 EAST CLINTON WAY
FRESNO, CALIFORNIA 93727
PHONE: 559-621-4500

CONSULTANT INFORMATION

REVISIONS / REFERENCE		
REV NO	DATE	DESCRIPTION
2	8/19/14	JS

AIRPORTS DEPARTMENT

FRESNO YOSEMITE INTERNATIONAL AIRPORT
RENTAL CAR CONCESSION LEASE AGREEMENT
EXCLUSIVE USE AREA

DIRECTOR
OF AVIATION
KEVIN R. MCKIE, ARCHITECT

APPROVED
CONST. ENG.
OFFICE ENG.
CITY DESIGN ENG.

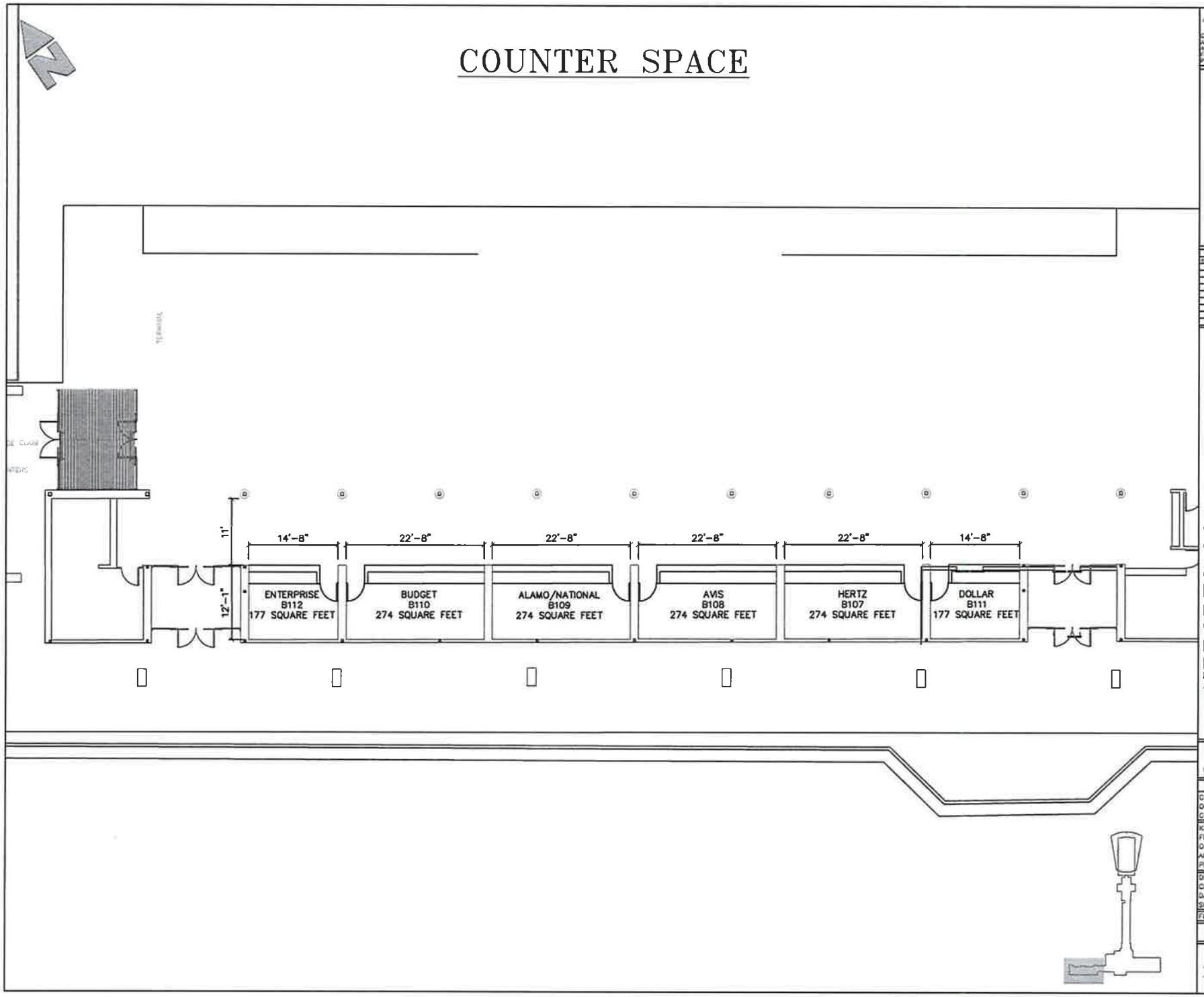
KRA #
FUND #
ORG #
ACTIVITY
PROJECT I.D.

DRAWN BY: LSG
CHECKED BY: MD
DATE: 2-12-07
SCALE: 1 = 100
FILE:

CITY DRAWING NO.
25-A-360

PAGE 2
EXHIBIT B
OF 3 PAGES

COUNTER SPACE



FRESNO YOSEMITE INTERNATIONAL AIRPORT
CITY OF FRESNO
AIRPORTS DEPARTMENT
4995 EAST CLINTON WAY
FRESNO, CALIFORNIA 93727
PHONE: 559-621-4000

CONSULTANT INFORMATION

REVISIONS/REFERENCE

REV NO.	DATE	DESCRIPTION
3	3/10/14	JG

AIRPORTS DEPARTMENT

FRESNO YOSEMITE INTERNATIONAL AIRPORT
RENTAL CAR CONCESSION LEASE AGREEMENT
COUNTER SPACE

DIRECTOR OF AVIATION
KEVIN R. MORLE, ARCHITECT

APPROVED
CONST. ENG.
OFFICE ENG.
CITY DESIGN ENG.

KRA #
FUND #
ORG #
ACTIVITY
PROJECT I.D.

DRAWN BY: LSS
CHECKED BY: MG
DATE: 2-13-07
SCALE: 1 = 20

FILE:

CITY DRAWING NO.
25-A-355

PAGE 3
EXHIBIT B
OF 3 PAGES

EXHIBIT “C”

FAA
Airports

ASSURANCES

Airport Sponsors

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

   The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

   The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements.**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

a. Title 49, U.S.C., subtitle VII, as amended.
b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]
c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
d. Hatch Act – 5 U.S.C. 1501, et seq.[2]
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1 2]
f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]
g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]
h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]
l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))
m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]
s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]
t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]
u. Copeland Anti-kickback Act - 18 U.S.C. 874.1
v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.[1]
w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]
y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

Executive Orders

a. Executive Order 11246 - Equal Employment Opportunity[1]
b. Executive Order 11990 - Protection of Wetlands
c. Executive Order 11998 – Flood Plain Management
d. Executive Order 12372 - Intergovernmental Review of Federal Programs
e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction[1]
f. Executive Order 12898 - Environmental Justice

Federal Regulations

a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].[4, 5, 6]
c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment
d. 14 CFR Part 13 - Investigative and Enforcement Procedures14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
e. 14 CFR Part 150 - Airport noise compatibility planning.
f. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.
g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
h. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]
i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]
j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).[1]
k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]
l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]
m. 49 CFR Part 20 - New restrictions on lobbying.
n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.[1 2]
q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.[1]
s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

Specific Assurances

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

Footnotes to Assurance C.1.

[1] These laws do not apply to airport planning sponsors.

[2] These laws do not apply to private sponsors.

[3] 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

[4] On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

[5] Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

[6] Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. **Responsibility and Authority of the Sponsor.**

   a. Public Agency Sponsor:

   It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

   b. Private Sponsor:

   It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.**

   It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. **Good Title.**

   a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

   b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

   a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. **Consistency with Local Plans.**

   The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.**

   It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.**

   In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.**

   In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Metropolitan Planning Organization.**

    In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. **Pavement Preventive Maintenance.**

    With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.**

    For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and

has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

    b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.**

    It shall include, in all contracts in excess of $2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.**

    It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.**

    It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans,

specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. **Construction Inspection and Approval.**

    It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.**

    In carrying out planning projects:

    a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

    b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

    c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

    d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

    e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

    f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

    g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

    h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

    a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal,

state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

1) Operating the airport's aeronautical facilities whenever required;

2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or

to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. **Airport Revenues.**

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or

operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. **Reports and Inspections.**

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

   1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

   2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

a. It will keep up to date at all times an airport layout plan of the airport showing

   1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

   2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and

roads), including all proposed extensions and reductions of existing airport facilities;

3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and

4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. **Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.

b. Applicability

1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.

2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

e. Required Contract Provisions.

1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.

4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a

covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

a) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and

b) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another

eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. **Engineering and Design Services.**

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.**

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.**

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated _____ (the latest approved version as of this grant offer) and included in this grant, and in accordance

with applicable state policies, standards, and specifications approved by the Secretary.

35. **Relocation and Real Property Acquisition.**

    a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
    b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
    c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.**

    The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. **Disadvantaged Business Enterprises.**

    The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

38. **Hangar Construction.**

    If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

   1) Describes the requests;

   2) Provides an explanation as to why the requests could not be accommodated; and

   3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

EXHIBIT “D”

Exhibit "D"
DISCLOSURE OF CONFLICT OF INTEREST

On-Airport Non-Exclusive Rental Car Concessions between City of Fresno ("Fresno")
And AvisBudget Group LLC ("Avis, Budget, Payless") Zipcar

		YES*	NO
1	Are you currently in litigation with the City of Fresno or any of its agents?	☐	☒
2	Do you represent any firm, organization or person who is in litigation with the City of Fresno?	☐	☒
3	Do you currently represent or perform work for any clients who do business with the City of Fresno?	☐	☒
4	Are you or any of your principals, managers or professionals, owners or investors in a business which does business with the City of Fresno, or in a business which is in litigation with the City of Fresno?	☐	☒
5	Are you or any of your principals, managers or professionals, related by blood or marriage to any City of Fresno employee who has any significant role in the subject matter of this service?	☐	☒
6	Do you or any of your subcontractors have, or expect to have, any interest, direct or indirect, in any other contract in connection with this Project?	☐	☒
* If the answer to any question is yes, please explain in full below.			

Explanation: _____

☐ Additional page(s) attached.

Robert Bouta
Signature

8/12/14
Date

Robert Bouta, Senior Vice President
For Properties & Facilities for Avis Budget Car Rental, LLC

6 Sylvan Way
(address)

Parsippany, NJ 07054
(city state zip)

EXHIBIT “E”

TENANT RENTAL CAR GROSS RECEIPTS REPORT

Fresno Yosemite International Airport

Name of Rental Car Agency: _____

For Period: _____ Through: _____

Total Monthly Gross Receipts (All business): _____

Total Number of Airport Transactions: _____

Total Customer Facility Charge (CFC) Rental Days: _____

Total Rental Days: _____

Fleet Size: _____

Staffing Level: _____

Airport Generated Gross Receipts for the Month (All Income)		**Fee Rate**		Total Receipts Airports Gross Reported		Monthly MAG Fees		Current Month Fees Due
_____	x	10%	=	$0.00	-	_____	=	$0.00

Payment Due for Current Month: $0.00

I, _____, do hereby certify that I am the _____, of _____, and that in accordance with the terms of our concession agreement, there is set forth below, a true statement of our revenues received from our operations.

Prepared By: _____ Title: _____

Signature of Preparer: _____

Date: _____ Phone: _____

Instructions:

1: Complete report, leaving **no** space blank.

2: Please make check payable to **City of Fresno**, and remit with this originally signed report to:

City of Fresno
Airport Department
4995 E. Clinton Way
Fresno, CA 93727

Phone (559) 621-4500
Fax (559) 251-4825

3: Submit report and fees by the **20th** day of the month, for the prior month. **Note: An originally signed copy of your report must be remitted to the address above in accordance with the terms of your concession agreement*

IF CURRENT MONTH FEES DUE IS LESS THAN ZERO NO ADDITIONAL PAYMENT IS NECESSARY.

Exhibit "E"

EXHIBIT “F”

City of Fresno
Dept. of Airports
4995 East Clinton Way
Fresno, CA 93727
Phone (559) 621-4500
Fax (559) 251-4828

FRESNO YOSEMITE
INTERNATIONAL AIRPORT

Rental Car Company: _____

Month of: _____ Year: _____

$4.5 per Day (max 5 days) (Effective 1/1/2012)				
	Days		Rate	Total Due to Airport
Airport - CFC	_____	x	$4.50	_____

Notes:

_____

_____

_____

Total Transactions _____

Total Rental Days _____

Submit report and fees by the **20th** day of the month, for the prior month.
**Note: An originally signed copy of your report must be remitted to the address above in accordance with the terms of your concession agreement*

EXHIBIT “G”

FRESNO YOSEMITE
INTERNATIONAL AIRPORT

NOTICE OF ANNUAL RENTAL ADJUSTMENT
(Based on USDLBLS Consumer Price Index for All Urban Consumers - All Items San Francisco)

February 11, 2014 11:31 AM

RE: CONCESSION AGREEMENT
RENTAL CAR COMPANY A

The rental adjustment calculation shown to the right was completed in keeping with the intent of the lease for Common Use Space in the Ready Return Lot of the Consolidated Rental Car Facility at Fresno Yosemite International Airport,

between

THE CITY OF FRESNO, CALIFORNIA

AND
RENTAL CAR COMPANY A

EFFECTIVE: **September 1, 2014**

MONTHLY RENTAL WILL BE: **$1,051.88**

If you have any questions concerning this matter, please contact the undersigned at (559) 621-4500.

Very truly yours,

Melissa A. Garza-Perry
Airports Properties Specialist II
City of Fresno, Department of Airports

FRESNO YOSEMITE INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY
COMMON USE AREA

DATE: February 11, 2014 11:31 AM

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ANNUAL RENTAL ADJUSTMENT COMPUTATION
FOR LEASE YEAR COMMENCING:
September 1, 2014

==========

USDLBLS CPI - JAN-DEC.,	2012	239.650 *
USDLBLS CPI - JAN-DEC.,	2013	245.023 *
AMOUNT OF CPI CHANGE	.....	5.4
PERCENTAGE CPI CHANGE	.....	2.2420%
SQUARE FOOTAGE	.....	14,383.00
CURRENT MONTHLY RENTAL		$1,031.26
CURRENT RENT P/SQ FT/YR	.....	0.8604
AMOUNT OF ADJUSTMENT	.....	0.017208
NEW MONTHLY RENTAL		0.8776
	NOTE: 2% MAXIMUM APPLIES	
AMOUNT OF ADJUSTMENT	.....	$20.62
NEW MONTHLY RENTAL		**$1,051.88**
EFFECTIVE:	September 1, 2014	**$12,622.52**

==========

Prepared by:

CITY OF FRESNO
DEPARTMENT OF AIRPORTS
PROPERTIES SECTION
4995 EAST CLINTON WAY
FRESNO, CA 93727-1504

TELEPHONE: (559) 621-4500
FACSIMILE: (559) 251-4825

NOTES: * PER USDL/BLS

J:\RFP's and RFQ's\RAC 2014 RFP\Drafts\Ready Rtn-Common Use Rental Adj Worksheet - Exhibit G.xls