



**JAA**

**Jacksonville  
Aviation  
Authority**

**VALET PARKING CONCESSION AGREEMENT**

**AT**

**JACKSONVILLE INTERNATIONAL AIRPORT**

**BETWEEN**

**JACKSONVILLE AVIATION AUTHORITY  
("Authority")**

**AND**

**INSERT NAME**

**("Operator")**

**FOR**

**VALET PARKING SERVICES**

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## VALET PARKING CONCESSION AGREEMENT

THIS AGREEMENT (hereinafter referred to as "Agreement") made and entered into as of \_\_\_ day of \_\_\_\_\_ 2012 by and between Jacksonville Aviation Authority, a body politic and corporate existing under Chapter 2001-319 (Sp. Acts June 5, 2001) Laws of Florida, as amended, (hereinafter referred to as the "Authority"), and **INSERT NAME**, a Florida Corporation, organized under the laws of the State of Florida (hereinafter referred to as the "Operator.")

### RECITALS

**WHEREAS**, Authority owns and operates Jacksonville International Airport, located in Duval County, Florida; and

**WHEREAS**, Authority issued a Request for Proposal, No. XXXXX-43605 on **INSERT DATE**, 2012 for competitive proposals for the operation of a valet parking concession at the Airport; and

**WHEREAS**, Operator has submitted a response to Authority's Request for Proposal for valet parking concession at the airport; and

**WHEREAS**, Operator demonstrated the ability to properly finance, operate, and manage a valet parking concession in accordance with the terms and conditions of this Agreement; and

**WHEREAS**, Authority and Operator agree and acknowledge that the recitals herein are true and correct; and

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, and for such other good and valuable consideration, the receipt and sufficiency of which Authority and Operator hereby expressly acknowledge, Authority and Operator hereby agree as follows:

### **ARTICLE 1** **DEFINITIONS**

- 1.1 "Advance Monthly Payment" means one-twelfth (1/12) of the total Minimum Annual Guarantee due for the applicable Contract Year, plus monthly Facility Rental, plus any applicable taxes.
- 1.2 "Airport" means the Jacksonville International Airport.
- 1.3 "Airport Concession Disadvantaged Business Enterprise" or "ACDBE" has the same meaning as set forth in Title 49, Part 23 of the Code of Regulations, as now

enacted or hereafter amended, revised, modified or replaced by subsequent regulation.

- 1.4 “Airport Rules and Regulation” means the Jacksonville Aviation Authority Airport Rules and Regulations as now in existence or hereafter amended, regulating activities or operations on the Airport.
- 1.5 “Airport Terminal” or “Terminal” means the existing airline passenger terminal facility at the Airport or any expanded facilities during the Term of this Agreement.
- 1.6 “Assignment” has the meaning ascribed to it in Article 18.
- 1.7 “Automatic Vehicle Identification” or “AVI” means computer generated cards issued to Operator for entrance to and exit from the Operations Areas, as designated from time to time by the Authority at the Airport.
- 1.8 “Commencement Date” has the meaning ascribed to it in Article 3.1.
- 1.9 “Contract Year” means the twelve (12) month period beginning August 1, 2012 and ending July 31, 2017, and each successive twelve (12) month period thereafter until the expiration or other termination of this Agreement.
- 1.10 “Executive Director” means the Executive Director/CEO of the Authority or such other person as the Executive Director/CEO may designate from time to time. When this Agreement states that a decision is to be made or approval may be granted by the Executive Director/CEO, it means that the decision will be made in their sole and absolute discretion. In the event of a dispute in regard to any matter between Operator and Authority, the Executive Director/CEO may resolve the dispute. The Executive Director’s decision shall be final in all such matters.
- 1.11 “Facility Rental” means the annual rental rate payable by Operator to Authority for Operator’s use and occupancy of the FAA Sector Building Office Space pursuant to Article 5.3.
- 1.12 “Gross Revenue”\_means the aggregated amount of all sales made, services performed, for cash or for credit or otherwise, of every kind, name and nature, regardless of whether paid for or not, together with the aggregated amount of any exchanges of goods or service at the selling price thereof as if the same had been sold for cash or the fair and reasonable value thereof, whichever is greater. “Gross Revenues shall include all monies paid or payable to the Lessee and to all subcontractors and/or management companies of Lessee for goods or services supplied by the Lessee or any such sublessees, assignees, subcontractors and/or management companies to its customers on the premises of the Airport without regard to the manner which, or the place at which, the

Lessee has received the order for such goods or services. The term “Gross Revenues” shall not include federal, state or municipal taxes. “Gross Revenues” shall not include: (1) sales tax collection allowance paid by the State of Florida to the Lessee as compensation for the keeping of prescribed records and the proper accounting and remittance of state sales tax; (2) any taxes imposed by law which are separately stated to and paid by the customer and directly payable by Lessee to a taxing authority.

- 1.13 “Assigned Premises” means a valet staging area provided by the Authority and used to park valet vehicles identified on **Exhibit “B”** prior to being called to the Valet Parking Drop-Off and Pick-Up Area.
- 1.14 “Kiosk” means the kiosk identified on **Exhibit “C”** to be used by the Operator’s attendants in the operation of the Concession.
- 1.15 “Minimum Annual Guarantee” or “MAG” means the minimum Privilege Fee due the Authority annually from the Operator set forth in Section 5.2.
- 1.16 “Operations Areas” means the Kiosk and Valet Parking Drop-Off and Pick-Up Area identified on **Exhibit “C”**, which is attached hereto and made a part hereof.
- 1.17 “Percentage Fee” is the aggregate of the amounts that are derived as a percentage of Gross Revenues, as provided in Section 5.3.
- 1.18 “Privilege Fees” means as ascribed in Article 5.1.
- 1.19 “Staging Areas” means the area located in the Daily Surface Lot and consisting of 138 spaces.
- 1.20 “Term” has the meaning ascribed to it in Article 3.1.
- 1.21 “Valet Parking Drop-Off and Pick-Up Area” means the area on the upper level curb on the south side of the terminal adjacent to Operator’s kiosk.

## **ARTICLE 2** **PRIVILEGES AND OBLIGATION OF OPERATOR**

- 2.1 **Rights and Privileges.** Subject to the terms hereof, Operator shall have the non-exclusive right and privilege to provide first-class valet parking services to the traveling public and other users of the Airport on the south end of the upper roadway adjacent to the Terminal (the “Valet Parking Drop-Off and Pick-Up Area”) and a designated area of the daily surface lot consisting of 138 parking spaces on the south end (the “Assigned Areas”), all as more fully defined in Section 2.2 herein, at Jacksonville International Airport (the “Airport”) at the sole

cost and expense of the Operator, pursuant to the terms and conditions hereof (the "Valet Parking Concession")

2.2 Operations Areas. JAA hereby grants Operator a license to: (i) installation, operation and maintenance of a Kiosk; (ii) use of Valet Parking Drop-Off and Pick-Up Area for the drop-off and pick-up of the customer's vehicles that are utilizing valet parking (iii) use of Assigned Premises. Operator may lease office space, if available, from the Authority in the FAA Sector Building during the Term of the Agreement pursuant to the Facility Rental established in Article 5.3. Operator acknowledges and agrees that this Agreement is an agreement for services and nothing in this Agreement shall be construed as granting Operator any title, interest or estate in the Operations Areas.

(A) Operations Areas "As Is". Operator expressly acknowledges that it has inspected the Operations Areas and that it accepts the same in its "**AS IS**" condition, together with all defects, latent and patent, if any. Operator further acknowledges that Authority has made no representations or warranties of any nature regarding the condition of the Operations Areas.

(B) Use of Operations Areas. Operator agrees and acknowledges that the Operations Areas shall be used only for the purposes specifically set forth in this Agreement. Operator's use of the Operations Areas for purposes other than those specifically authorized herein shall constitute a material breach of this Agreement, entitling Authority to immediately terminate this Agreement and to all other remedies provided under this Agreement, by law and at equity.

(C) Relocation from Operations Areas. Authority may require Operator to provide the services required hereunder from location(s) on the Airport other than the Operations Areas. In the event Authority determines that it is necessary or desirable for Operator to relocate its operations, Authority shall provide thirty (30) calendar days prior written notice to Operator of the required relocation. Operator shall, at no cost to Authority, relocate to the location(s) on the Airport designated by Authority for its operations hereunder upon the date set forth in Authority's written notice.

2.3 Description of General Uses and Rights. Authority hereby grants to Operator the following general nonexclusive privileges, uses, and rights, all of which shall be subject to the terms, conditions, and covenants set forth in this Agreement.

(A) General Use of Public Airport Facilities. The general use, in common with others, of all public Airport facilities and improvements that are now or may hereafter be connected with or appurtenant to said Airport, to be used by Operator, its agents and employees, patrons and invitees, suppliers of service, furnishers of material, and its authorized sublessees,

if any, in connection with its operations hereunder. For the purposes of this Agreement, "public Airport facilities" shall include all necessary roadways, sidewalks, and or other public facilities appurtenant to said Airport made available by Authority for public use. Nothing contained herein shall in any way limit the right of Authority in its sole discretion to develop, improve, modify, abandon, discontinue or demolish any of the public Airport facilities described herein.

(B) Right of Ingress and Egress. The right of ingress to and egress from the Operations Areas and over public roadways serving the Airport for Operator, its agents and employees, patrons and invitees, suppliers of service and furnishers of material, and its authorized subcontractors, if any. The right of ingress and egress shall be subject to such laws, rules, regulations, and orders as now or may hereafter have application at the Airport.

2.4 Services Subject to Authority Approval. All services provided and duties performed by Operator pursuant to this Agreement shall at all times be subject to the review and approval of the Authority.

2.5 Additional Services- Operator has the right to offer additional services to customers utilizing the valet services including but not limited to the following:

(A) Oil Changes

(B) Vehicle detailing services, including washing and vacuuming vehicles.

(C) Under no circumstance shall operator be allowed to provide additional services to vehicles that are not utilizing the valet services at the Airport. If Operator desires to provide additional services, Operator shall abide by all local, state and federal laws regarding such activities and any rules and regulations or other directives as determined by Authority. Operator shall properly dispose of used oil, used oil filters, rags or other equipment used in providing this service.

### **ARTICLE 3** **TERM OF AGREEMENT**

3.1 Term. This Agreement shall be for a term of five (5) years, commencing August 1, 2012 ("Commencement Date") and terminating July 31, 2017 (the "Term").

**ARTICLE 4**  
**RATES, SERVICES AND COMPLAINTS**

- 4.1 **Rates.** During the first Contract Year the Operator agrees to charge the traveling public rates that are not in excess of the fares set forth on **Exhibit “D”**, attached hereto and made a part hereof. Thereafter, and during the Term of this Agreement, the Operator shall not be entitled to increase the fares set forth on **Exhibit “D”** without first obtaining the prior written consent of the Authority, which consent shall be conditioned upon an evaluation of the reasonableness of the fares to be imposed upon the traveling public. In the event of such an agreement between Operator and Authority as to an increase in the rates same shall be reflected by an amendment to this Agreement. The Executive Director may execute an amendment entered into pursuant to this paragraph on behalf of the Authority.
- 4.2 **Passenger Wait Time.** The maximum waiting time for passengers using Operator’s valet service shall not exceed five (5) minutes from the time the customer arrives at the Valet Pick-Up Area.
- 4.3 **Passenger Complaints.** Questions or complaints regarding the quality of services, whether raised by customers or potential customers or on the Authority’s own initiative or otherwise, may be submitted to Operator for response. A response will be provided by Operator within seven (7) calendar days following submission. The Authority shall be the sole judge as to whether the conduct of any driver or of Operator’s other representatives is objectionable, and if so judged, Operator shall take all steps necessary to eliminate the conditions which have occasioned such judgment. Operator shall forward to the Authority, on a monthly basis, a list of all complaints received, whether verbal or written, accompanied by a description of the resolution of any such complaints.
- 4.4 **Licenses.** Operator shall, at its own expense, provide and maintain in full force and effect, any and all licenses and permits required for the operation of all aspects of Operator’s business.
- 4.5 **Conflict.** Should a conflict arise between the Operator and other operators of transportation services or other services at the Airport regarding customers, potential customers or any other issues with respect to the scope of the concession privileges, the Authority’s decision on the matter shall be final and conclusive. The Operator agrees to abide by the Authority’s decision.

**ARTICLE 5**  
**PRIVILEGE FEES, CHARGES AND ACCOUNTABILITY**

- 5.1 Privilege Fees. For the privilege of operating a non-exclusive valet parking concession at the Airport during the Term, Operator agrees to pay to Authority "Privilege Fees" for each Contract Year the greater of (i) the Minimum Annual Guarantee or (ii) the Percentage Fee all as hereinafter described.
- 5.2 Minimum Annual Guarantee. For the first Contract Year Minimum Annual Guarantee shall be One Hundred Sixty thousand dollars (\$160,000.00). The Minimum Annual Guarantee for each Contract Year thereafter shall be the greater of (i) \$160,000 or (ii) seventy-five percent (75%) of the gross revenues and payable for the prior Contract Year, whichever is greater, plus any applicable taxes.
- 5.3 Percentage Fees. The Percentage Fees to be applied to Operator's Gross Revenues commencing on the Commencement Date shall be as follows for the Assigned Areas:
- 18% on Gross Revenues
- 5.4 Facility Rental. In addition to the Privilege Fees, Operator shall pay, if space is available, to Authority for the use and occupancy of the FAA Sector Building Office Space an annual Facility Rental as follows:
- A. Thirteen Dollars (\$12.589) per square foot for the Ground Transportation Office Space.
- B. CPI adjustment on October 1, 2013 and every two (2) years thereafter.
- C. Facility Rental is payable in equal monthly installments, in advance, without demand, deduction, holdback, or setoff, by the first day of each and every month throughout the Term of this Agreement together with applicable State of Florida sales tax thereon. Payment of Facility Rental by Operator to Authority shall commence upon the Commencement Date.
- 5.5 Payment of Minimum Annual Guarantee and Percentage Fee.
- A. Minimum Annual Guarantee. Operator shall pay to Authority commencing upon the Commencement Date and on the first day of each and every month throughout the Term of this Agreement, one-twelfth (1/12) of the Minimum Annual Guarantee for the applicable Contract Year, plus applicable sales tax, without demand, deduction, holdback or setoff.

B. Percentage Fees. Within twenty (20) days after the beginning of each and every month throughout the Term of this Agreement, Operator shall deliver a report of Gross Revenues for the preceding month on a form supplied by Authority and signed by an officer, a partner, or other person authorized to sign on behalf of Operator, to Authority. In the event that for any month, the Percentage Fees applied to the Monthly Gross Revenues of Operator is greater than (1/12) of the Minimum Annual Guarantee for the applicable Contract Year, Operator shall pay the difference to Authority with the report of Gross Revenues

5.6 Unpaid Fees. Operator shall pay to Authority interest at the rate of eighteen percent (18%) per annum on any payments not made within ten (10) days after the amounts are due with such interest accruing from the due date until paid. Acceptance of late payments by Authority shall not constitute a waiver of Operator's default by Authority with respect to such overdue amount, nor prevent Authority from terminating this Agreement for default in the payment of rentals, fees or charges due to Authority pursuant to this Agreement or from enforcing any other provisions, rights, or remedies granted herein, or conferred by law.

5.7 Place of Payments. Payments required to be made by Operator under this Agreement shall be made payable to:

Jacksonville Aviation Authority  
Attention: Finance and Administration  
14201 Pecan Park Road  
Jacksonville, Florida 32218

or to such other office or address as may be substituted therefore.

5.8 Taxes, Permits, Licenses. Operator shall pay (i) all costs of operating its equipment and business; (ii) any and all ad valorem, sales, use, or other taxes, fees or governmental charges, levied or assessed upon or with respect to the Premises or improvements or property Operator places thereon and any assessed against the operation of the business and any ad valorem, sales, use, or other taxes, fees or governmental charges levied or assessed or with respect to this Agreement whether billed to Authority or to Operator; and (iii) Operator shall bear all costs of obtaining any permits, licenses, or other authorizations required by law in connection with the operation of its business at the Airport, and copies of all such permits, certificates, and licenses shall be forwarded to Authority.

5.9 No Set Off. The Operator acknowledges that, through the date hereof, it has no claims against Authority with respect to any of the operations of the Operator at the Airport, or any of the matters covered by this Agreement or any other agreement it may have, or previously had, with the Authority, and it has no right

of set off or counterclaims against any of the amounts payable by Operator to Authority under this Agreement or any other Agreement it may have with the Authority.

- 5.10 Other Fees and Charges. Operator acknowledges that Authority has or will establish, from time to time, various fees and charges for the use of various facilities, equipment and services provided by Authority and not leased to or specifically provided to Operator hereunder, and the procedures relating to payment of same. Operator shall pay for its use of such facilities, equipment and services at the rates and in the manner prescribed by Authority.
- 5.11 Additional Rent and Charges. If Authority is required or elects to pay any sum or sums or incur any obligations or expense by reason of the failure, neglect or refusal of Operator to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of any act or omission of the Operator contrary to said conditions, covenants or agreements, Operator agrees to pay the sum or sums so paid by the Authority or the expense so incurred by the Authority, including all interest, costs, damages and penalties, and the same may be added to any installment payment thereafter due hereunder, and each and every part of the same shall be and become recoverable by Authority in the same manner and with like remedies as if it were originally a part of the privilege fees and/or rent payable under this Agreement. All such sums of money shall be paid by Operator within ten (10) calendar days after written demand therefore.
- 5.12 Dishonored Check or Draft. If Operator delivers a dishonored check or draft to Authority in payment of any obligation arising under this Agreement, Operator shall incur and pay a service charge in the amount established by Authority from time to time. In such event, Authority may require that future payments be made by cashier's check or other means acceptable to Authority.
- 5.13 Net Agreement. This Agreement in every sense shall be without cost or expense to Authority including without limitation, cost and expenses relating to the development, maintenance, improvements and operation of the Operations Areas.
- 5.14 Employee Parking Facilities. Authority, while providing parking facilities to Operator's employees in common with employees of other operators and users of the Airport, retains the right, at the sole election of Authority, to impose a reasonable charge for the privilege of utilizing these parking facilities.
- 5.15 Books of Accounting and Auditing.
- (A) Accounting Records. Operator shall keep, throughout the Term of this Agreement all books of account and records customarily used in this type

of operation, and as from time to time may be required by Authority, in accordance with Generally Accepted Accounting Principles (GAAP). Such books of accounts and records shall be retained and made available for such period of time as provided herein unless otherwise approved by Authority. Authority or its authorized representative at all times throughout the Term of this Agreement and for up to three (3) years following expiration or termination of this Agreement, shall have the right to audit and examine, and make copies of, during normal working hours all such records and books of account relating to Operator's operations hereunder, provided that Operator shall not be required to retain such books of account and records for more than three (3) years after the expiration or termination of this Agreement. If the books of account and records are kept at locations other than the Airport, Operator shall arrange for them to be brought to a location convenient to the auditors for Authority in order for Authority to conduct the audits and inspections as set forth in this Agreement. Storage of such records will be at Operator's sole expense.

- (B) **Annual Audit.** Annually, within ninety (90) days at the end of each company's fiscal year, Operator shall provide to the Authority an audited schedule of revenues collected and rents paid on all of its accounting transactions relating to its operations at the Airport and from the operations of any of Operator's subsidiaries, contractors, management companies, or related or affiliated companies involved in providing services covered by this Agreement. The audit report shall cover the preceding fiscal year. The audit report shall be in the format required by the Authority and shall be prepared by an independent Certified Public Accountant, not a regular employee of Operator, in accordance with Generally Accepted Auditing Standards prescribed by the American Institute of Certified Public Accountants or any successor entity thereto. If the annual audit reflects an overpayment or underpayment from Operator, such amount will be credited or invoiced to the Operator's account and any amounts owed to Authority shall be due and payable within thirty (30) days of billing.
- (C) **Audits by Authority.** Notwithstanding any provision in this Agreement to the contrary, Authority or its representative(s) may at any time perform audits of all or selected operations performed by Operator under the terms of this Agreement. In order to facilitate the audit performed by Authority, Operator agrees to make suitable arrangements with the Authority or its representatives(s) to make available at the Airport any and all working papers relevant to the audit performed by Authority or its representative(s). Authority or its representative(s) shall make available to Operator a copy of the audit report prepared by or on behalf of Authority. Operator shall have fifteen (15) business days from receipt of

the audit report from Authority or its representative(s) to provide a written response to Authority regarding the audit report. Operator acknowledges and agrees that failure of Operator to submit a written response to the audit report in accordance with the requirements of this Article 5.15 shall constitute acceptance of the audit report as issued.

5.16 Utilities. Authority shall pay for the Operators electricity use in the Kiosk and FAA Sector Building, if Operator so chooses to lease space based on availability. Operator shall be responsible for any other utilities used by Operator in the Staging Area all such utilities shall be segregated by a separately metered account in Operator's name and Authority shall not be responsible for payment of any utility service used by Operator other than electricity use as provided above.

5.17 Security for Payment.

- (A) Operator shall, upon execution of this Agreement, post a security deposit with Authority in an amount equivalent to fifty percent (50%) of the first Contract Year Minimum Annual Guarantee ("Security Deposit"). The Security Deposit shall serve as security for the payment of all sums due to Authority and shall also secure the performance of all obligations of Operator hereunder. At the Authority's option, the Security Deposit shall be in the form of: (i) cash; (ii) an Irrevocable Letter of Credit ("Letter of Credit"), in form and substance satisfactory to the Authority; or (iii) a Performance Bond ("Bond"), in form and substance satisfactory to Authority.
- (B) In the event of any failure by Operator to pay any sums, rentals or charges to Authority when due or upon any other failure to perform any of its obligations or other default under this Agreement, then, in addition to any other rights and remedies available to Authority at law or in equity, Authority shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, Operator shall immediately replace the Security Deposit with cash, a new Letter of Credit or a new Bond, as applicable, in the full amount of the Security Deposit required hereunder.
- (C) If a Letter of Credit is posted, then the term and all renewal terms of the Letter of Credit shall be for a period of not less than one (1) year, and the Letter of Credit shall be kept in full force and effect throughout the term of this Agreement, and for a period of six (6) months following the expiration or termination date of this Agreement. If a Bond is posted, then the Bond shall be kept in full force and effect throughout the term of this Agreement and for a period of six (6) months following the expiration or termination date of this Agreement. If Operator posts a cash deposit, then such cash

deposit shall be retained by Authority throughout the term of this Agreement and for a period of six (6) months following the expiration or termination date of this Agreement.

- (D) If applicable, not less than sixty (60) calendar days prior to any expiration date of the Letter of Credit or Bond, the Operator shall submit evidence in form satisfactory to Authority that said security instrument has been renewed. A failure to renew the Letter of Credit or Bond, as applicable, or to increase the amount of same if required by the Authority, shall (i) entitle the Authority to draw against the full amount of such Security Deposit, and (ii) be a default of this Agreement, entitling Authority to all available remedies. The Security Deposit shall not be returned to Operator until all obligations under this Agreement are performed and satisfied. Prior to consent from Authority to any assignment of this Agreement by Operator, Operator's assignee shall be required to provide a Security Deposit to Authority in accordance with the terms and conditions of this Article 5.17. The obligations arising under this Article 5.17 shall survive the expiration or termination of this Agreement.

## **ARTICLE 6**

### **OPERATIONAL STANDARDS**

- 6.1 Manner of Operation. The Operator shall furnish all labor, supervision, uniforms, materials and supplies necessary to operate the valet parking service in a first-class manner and to ensure that prompt, courteous and efficient service is provided to all users of valet parking.
- 6.2 Hours of Operation and Valet Parking Services Requirements. Operator's Valet Service shall be open for business and operational to the public from two hours prior to the first scheduled airline departure at the Airport through one hour after the last actual airline arrival or the arrival of all valet customers scheduled to arrive at the Airport, seven days per week, including holidays. Operator shall provide valet parking services to serve all flights conducted by certified air carriers, foreign air carriers, and commuter air carriers at Airport, and shall adequately meet all demands for such traffic.
- 6.3 Internet Reservation System. The Operator shall provide, at its own expense, an internet reservation system to be used to provide the service required under this Agreement.
- 6.4 Employees/Subcontractors/Independent Operators.
- (A) Executive Director's Authority to Request Reassignment. In the event that any of Operator's employees/subcontractors/independent operators, while on duty at the Airport, engages in behavior or acts in a manner deemed

inappropriate, Operator shall, upon receipt of notice of such behavior, regardless of the source of such notice, investigate the reported incident and take such actions as necessary to assure that such behavior or acts cease. If at any time Operator receives written notice from the Executive Director regarding such behavior or acts by an employee/subcontractor/independent operator of the Operator committing gross misconduct, Operator shall, upon Authority request, immediately and permanently take such steps to reassign such persons from duty at the Airport.

(B) Improper Conduct. Operator shall all times retain qualified, competent and experienced employees and representatives at the Airport to conduct its operations. Operator's employees and representatives who are expected to communicate with the public and Authority staff shall be able to read, write and communicate orally in clearly understandable English. Under no circumstances shall any employee or representative of Operator's engage in loud or boisterous conversation, profanity, gambling or fighting at the Airport.

(C) Uniforms. Employees must be in uniforms and must wear nametags at all times when on duty. All uniforms and nametags shall be subject to approval by Authority. Operator shall at all times be responsible for the neat appearance, courtesy, and efficient conduct of all Operator's employees and representatives.

6.5 Notification of Problems. Operator shall immediately notify Authority when problems occur with respect to any safety, facility, or security issues.

6.6 Inspection of vehicles. The Operator's personnel, who staff the Concession at the Airport (the "Attendants"), shall immediately inspect all vehicles entering the Valet Parking Drop-Off and Pick-Up Area for security purposes and for determining prior exterior damage to the vehicles (the "Vehicle Inspection"). Prior to conducting and performing the Vehicle Inspections, Attendants shall receive training in how to perform the security portion of the Vehicle Inspections, which excludes the inspection for prior exterior damage. The Attendant shall notify the Airport's Communication Center immediately upon finding any suspicious activity or suspicious items while performing a Vehicle Inspection (all in accordance with the Attendant's training). The Attendant's should notify the security officers when oversized vehicles check in with valet parking.

6.7 Customer Drop Off. Once a valet parking customer drops off their vehicle and the Attendant conducts the vehicle inspection and completes the business transaction with the customer, the Attendant shall immediately relocate the customer's vehicle to the Holding Area in the Daily Parking Surface Lot as

designated on Exhibit A attached hereto. The Concessionaire shall not stage any more than 15 vehicles in the Valet Parking Drop-Off and Pick-Up Area. Operator shall monitor and manage all traffic in the Valet Parking Drop-Off and Pick-Up Area and by setting up and taking down cones or barricades and erecting or replacing delineators.

- 6.8 Automatic Vehicle Identification. Operator shall use AVI to provide service under this Agreement issued by Authority only for entrance into and exit to the Holding Area at a cost of One Hundred Dollars (\$100) per AVI, non-refundable. Thereafter, new, lost, stolen, or damaged AVI's shall be replaced or issued at a cost of One Hundred Dollars (\$100) per AVI, non-refundable. Request for issuance of new AVI must be in writing from the Operator to the Authority requesting additional AVI's with justification. AVI fees are subject to change by the Authority.
- 6.9 Management Plan. Operator agrees to implement a management plan which includes at a minimum the following: staffing chart with supervisory contact information, dispatch plan in sufficient detail to describe procedures and management controls to ensure equitable dispatch policies are adhered to, audit program of driver performance and vehicle condition/appearance, customer services/restrictions and complaint resolution procedures. Operator further agrees to update or revise such management plan, if directed by the Authority, and submit such updated management plan for approval of the Authority. Operator shall not modify or deviate from the approved management plan without the prior written approval of the Executive Director. The burden of establishing compliance with the management plan rests with the Operator and failure to comply with the management plan approved by the Executive Director shall be a default under this Agreement, entitling the Authority to exercise any and all remedies available.
- 6.10 Revision of Procedures and Standards. All procedures and standards shall be subject to change by Authority at any time in order to conform to such procedures and standards to any requirement of federal, state, or local statutes, ordinances, rules, or regulations. In addition, all procedures and standards shall, in the reasonable discretion of the Executive Director, be subject to reasonable change at any time and from time to time.
- 6.11 Maintenance and Repair. Operator shall, at its sole cost and expense, keep the Operations Areas in a safe and presentable condition in accordance with good business practice, industry standards, and all applicable laws, rules and regulations. Operator shall be responsible for the general maintenance and repair of the Operations Areas. Operator shall keep all Operations Areas and facilities clean, sanitary and free of rubbish, refuse, food scraps, garbage, dust, dirt and other offensive or unclean materials at all times. Operator shall be responsible for all the daily maintenance of the Operations Areas and for

repairing any damage to the Operations Areas caused by or resulting from or in any way arising out of Operator's operations on or use of the Operations Areas. Operator agrees that it shall abide by Authority's decision with respect to any and all maintenance and repair to the Operations Areas. Upon written notice by Authority to Operator, Operator shall perform the required maintenance or repair in accordance with Authority's decision. If Operator has not made a good faith effort, as determined by Authority, to begin such maintenance or repair within ten (10) days after receipt of Authority's written notice. Authority shall have the right to enter the Operations Areas and cause the completion of such maintenance or repair. Operator hereby expressly agrees that it shall fully assume and be liable to Authority for the costs and expenses of such maintenance or repair, plus twenty-five percent (25%) administrative overhead. Such maintenance or repair costs, plus the administrative overhead, shall be due and payable within ten (10) days of Authority's invoice thereof.

- 6.12 Cleanliness of Operations Areas. The Operations Areas and all equipment and materials used by Operator shall at all times be clean, sanitary and free from rubbish, refuse, food scraps, garbage, dust, dirt, rodents, insects, and other offensive or unclean materials. Operator, at its sole cost and expense, shall be responsible for the provision of all janitorial services in its Operations Areas. Operator shall remove or cause to be removed, at its sole cost and expense, all waste, garbage, rubbish, and/or refuse as often as necessary to maintain compliance with the provisions of this Article 6.15. Operator agrees not to deposit same on any part of the Airport, except it may deposit the same temporarily in areas of Operator's Operations Areas. The Authority shall reasonably determine whether Operator is in compliance with the obligations as provided for herein and shall provide Operator with written notice of any violations of Operator's obligations. Immediately upon Operator's receipt of Authority's written notice of violation, Operator shall commence such corrective action as required by Authority or as may be necessary to remedy such non-compliance to satisfaction of receipt of Authority. If corrective action is not initiated within one (1) calendar days of receipt of Authority's written notice and pursued to completion in a diligent manner within two (2) calendar days, the Authority may cause the same to be accomplished and Operator hereby expressly agrees that Operator shall assume and be liable to Authority for payment of all such costs, plus twenty-five percent (25%) for administrative overhead. Such costs, plus the administrative cost, shall constitute additional rent and shall be due and payable immediately upon Authority's billing thereof.
- 6.13 Security. Operator acknowledges and accepts full responsibility for the security and protection of the Operations Areas now existing or hereafter assigned to Operator, and for the prevention of unauthorized access to its facilities and expressly agrees to comply with all Airport Rules and Regulations of Authority and of any and all other governmental entities that now or may hereafter have jurisdiction over such security issues. Operator fully understands that the police

security provided by Authority is limited and that any special security measures deemed necessary or desirable for additional protection shall be the sole responsibility of Operator and shall involve no cost to Authority.

- 6.14 Emergency Contract. Operator shall provide the Authority with emergency telephone numbers at which Operator's manager may be reached on a 24-hour basis.
- 6.15 If applicable, the Operator is required to attend quarterly performance meetings that will be held at a time and place to be designated by the Authority. The intention of this meeting is to provide a forum for the Authority and the Operator to identify areas of concern so they can be resolved in a timely manner. The Authority may elect to switch to monthly meeting during the term of the contract period.

## **ARTICLE 7** **INSURANCE**

Operator shall, at its sole expense, maintain in full force and effect at all times during the Term of this Agreement, the insurance limits, coverages and endorsements required herein. Neither the requirements contained in this Article 7 nor Authority's review or acceptance of insurance shall in any manner limit or qualify the liabilities and obligations assumed by Operator under this Agreement.

- 7.1 Insurance Requirements. Operator shall procure and maintain the following types and amounts of insurance for the term of the Agreement. All insurance shall be issued by a company acceptable to the Authority and authorized to do business in the State of Florida.
- (A) Comprehensive General Liability Insurance. Operator shall maintain Comprehensive General Liability Insurance providing said coverage (primary and or excess/umbrella) it shall include premises, operations, independent contractors, personal injury including, but not limited to, the liability assumed by the Operator under the hold harmless provision of this Agreement. Said policy or policies shall cover loss or liability for damages in an amount not less than Two Million Dollars (\$2,000,000), combined single limit, for each occurrence for bodily injury, death or property damage occurring by reason of the Operator's operations in, on or about the Airport. The Authority shall be named and endorsed an additional insured.
- (B) Business Automobile Liability. Operator shall maintain Business Automobile Liability Insurance (any vehicle, including owned vehicles, non-owned vehicles, golf carts and hired vehicles) excluding

uninsured/underinsured motorist, in the amount of One Million Dollars (\$1,000,000) combined single limit, liability insurance coverage.

- (C) Worker's Compensation Insurance & Employers Liability. Operator shall maintain Worker's Compensation Insurance & Employer Liability in accordance with Chapter 440, Florida Statutes, as now or hereafter amended. Coverage shall be provided on a primary basis.
- (D) Umbrella or Excess Liability. Operator may satisfy the minimum liability limits required above for Commercial General Liability and Business Auto Liability under an Umbrella or Excess liability policy. There is no minimum per occurrence limit of liability under the Umbrella or Excess Liability; however, the annual aggregate limit shall not be less than the highest "each occurrence" limit for the Commercial General Liability and Business Auto Liability. Operator agrees to endorse Authority as an "Additional Insured" on the Umbrella or Excess Liability, unless the certificate of insurance states the Umbrella or Excess Liability provides coverage on a pure "True Follow-Form" basis.
- (E) Garage Keeper's Legal Liability Insurance. Operator shall maintain Garage Keeper's Legal Liability Insurance in the minimum amount of One Million Dollars (\$1,000,000) with endorsements for fires, explosions, theft of entire vehicle, vandalism, malicious mischief and riots. The Authority will accept, as an alternative to Garage Keeper's Legal Liability Insurance, endorsements or other special provisions to the General Liability policy that provides liability coverage for care, custody and control or operation of customers' vehicles on particular premises.
- (F) Additional Insured Endorsement. Operator shall endorse Authority as an Additional Insured on each liability insurance policy required to be maintained by Operator, except for Worker's Compensation and Business Automobile Liability insurance policies. The CG 2011 Additional Insured - Managers or Lessors of Premises or CG 2026 Additional Insured - Designated Person or Organization endorsements, or their equivalent, shall be endorsed to the Commercial General Liability policy. Other policies, when required, shall provide a standard Additional Insured endorsement offered by the insurer. The Additional Insured endorsements shall provide coverage on a primary basis. The Additional Insured endorsement shall read:

Jacksonville Aviation Authority  
c/o: Business Development  
14201 Pecan Park Road  
Jacksonville, Florida 32218

- 7.2 Certificate of Insurance. Operator shall provide Authority with a certificate of insurance evidencing limits, coverages and endorsements required herein. The certificate of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. In the event coverage cancels or non-renews during the Term of this Agreement, Operator shall furnish a new certificate of insurance evidencing replacement coverage thirty (30) days prior to the expiration of such insurance.
- 7.3 Waiver of Subrogation. Operator agrees by way of entering this Agreement in writing to a Waiver of Subrogation for each required policy providing coverage during the Term of this Agreement. When required by the insurer or should a policy condition not allow a pre-loss Agreement to waive subrogation without an endorsement, Operator shall notify its insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition prohibiting such an endorsement, or voiding coverage should Operator enter into such an Agreement on a pre-loss basis.
- 7.4 Deductibles, Coinsurance, & Self-Insured Retention. Operator shall be fully and solely responsible for any deductible, coinsurance penalty or self-insured retention, including any losses, damages or expenses not covered due to an exhaustion of limits or failure to comply with a policy. The Operator agrees any Self-Insured-Retention or deductible(s) shall not exceed Twenty-Five Thousand Dollars (\$25,000).
- 7.5 Right to Review or Reject Insurance. Authority's Risk Management may review, modify, reject, or accept any required policies of insurance, including, but not limited to, limits, coverage's or endorsements, required by this Article 8 from time to time throughout the Term of this Agreement. Authority may also reject any insurer or self-insurance plan providing coverage because of poor financial condition or failure to operate legally. In such event, Authority shall provide Operator a written notice of rejection, and Operator shall comply within thirty (30) days of receipt of the notice. In addition, Authority may require such additional types and amounts of insurance reasonably deemed necessary by Authority's Risk Management.
- 7.6 No Representation of Coverage Adequacy. Operator acknowledges the limits, coverage's and endorsements required by this Article 8 are intended to minimize liability for Authority. Operator agrees that it will not rely upon the requirements of this Article 8 when assessing the extent or determining appropriate types or limits of insurance coverage to protect Operator against any loss exposures, whether as a result of this Agreement or otherwise.

**ARTICLE 8**  
**IMPROVEMENTS AND STRUCTURAL ALTERATIONS**

- 8.1 Improvements. Operator shall make no alterations or improvements to the Operations Areas without the prior written consent of the Authority. Operator shall, at its sole cost and expense, install all improvements and trade fixtures necessary and customary for the operation of a valet parking concession within the Operations Areas in accordance with the requirements of this Agreement.
- 8.2 Conditions When Consent to Improve Given. If Operator requests permission to make improvements or alterations, and permission is granted, Operator shall comply with any restrictions or conditions imposed by Authority with respect to the improvements and shall also: (i) obtain all required permits and licenses necessary to comply with applicable zoning laws, building codes, and other laws or regulations of any appropriate governing body; (ii) require that all contractors and subcontractors who are to perform work qualify and be approved by Authority; and (iii) post with Authority a performance and payment bond in an amount equal to the estimated cost of alterations or improvements. In addition to any restrictions or conditions, Operator agrees to pay all costs and expenses necessary to design and construct the Authority-approved alterations or improvements, and to maintain at its expense the Operations Areas and any improvements, equipment, or displays within the Operations Areas in a good state of repair and preservation.
- 8.3 Title and Ownership of Improvements. All improvements of whatever kind or nature that are, under the laws of the State of Florida, part of the realty, including but not limited to, all equipment installed therein, heating and air conditioning equipment, interior and exterior light fixtures, and all other permanent improvements that become part of the realty placed upon the Operations Areas, with or without consent of Authority, shall: (i) become a part of the Operations Areas; (ii) become the property of Authority upon expiration or termination of this Agreement; and (iii) remain on the Operations Areas unless otherwise directed by the Authority.
- 8.4 Title and Ownership of Personal Property. Title to all personal property, furnishings, and trade fixtures shall be and remain with Operator, and may be removed from the Operations Areas at any time, provided Operator is not then in default under this Agreement, and further provided Operator exercises care in the removal of same and repairs any damage to the Operations Areas caused by said removal.

**ARTICLE 9**  
**RELATIONSHIP OF THE PARTIES**

Operator, or any successor in interest to this Agreement, is and shall be deemed to be an independent contractor and operator and shall be solely responsible to all parties for its respective acts or omissions, and Authority shall in no way be responsible thereof.

**ARTICLE 10**  
**INDEMNIFICATION**

Operator agrees to protect, defend, reimburse, indemnify and hold Authority, its agents, employees, board members and officers and each of them (collectively, 'the' "Indemnities"), free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees at trial and appellate levels) and causes of action of every kind and character against, or in which any of the Indemnities is named or joined, arising out of, or related to this Agreement or Operator's use or occupancy of the Operations Areas, including, without limitation those arising by reason of any damage to property or the environment, or bodily injury (including death) arising out of or incident to or in connection with Operator's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of Operator or any breach of the terms of this Agreement. Operator further agrees to hold harmless and each of indemnify the Indemnities for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to Operator's activities or operations or use of the Operations Areas whether or not Operator was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving the activities. This indemnification shall include all deliverers, suppliers, furnishers of material, or anyone acting for, on behalf of or at the request of Operator. Operator recognizes the broad nature of this indemnification and hold-harmless provision, and acknowledges that Authority would not enter into this Agreement without the inclusion of this indemnification. The obligations arising under this Article 11 shall survive the expiration or termination of this Agreement.

**ARTICLE 11**  
**DAMAGE OR DESTRUCTION OF PREMISES/IMPROVEMENTS**

11.1 Operator's Obligations. Operator hereby assumes full responsibility for the condition of the Operations Areas and character, acts and conduct of all persons admitted to the Operations Areas or the Airport by or with the actual or constructive consent of Operator or by or with the consent of any person acting for or on behalf of Operator. If the Operations Areas or the Airport, or any part thereof, are damaged in any way whatsoever by the act, default or negligence of

Operator, or of Operator's members, agents, employees, officers, representatives, guests, invitees, contractors, patrons, or any person admitted to the Operations Areas or the Airport by Operator or otherwise, Operator shall, at its sole cost and expense, restore the damaged property to the condition existing prior to such damage. If any properties, or any part thereof, are damaged in any way by an act of God, and such loss was required by this Agreement to be insured against by Operator, but was not so insured, then Operator shall, at its sole cost and expense, restore the damaged property to the condition existing prior to such damage. Operator shall commence such restoration within ten (10) days and shall diligently pursue such restoration to completion. Such repairs, replacements or rebuilding shall be made by Operator in accordance with the construction requirements contained herein and as established by the Authority. If Operator fails to restore the damaged property as required above, Authority shall have the right to perform the necessary restoration, and Operator hereby expressly agrees that it shall fully assume and be liable to Authority for payment of the costs thereof, plus twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within ten (10) days from date of written notice thereof.

- 11.2 Right to Cancel. If any of the improvements on the Operations Areas are damaged or destroyed in whole or in part by fire or other casualty, Operator may, subject to approval of Authority, be relieved of the obligation to repair, replace or rebuild the same and have the right to cancel this Agreement. In such event, Operator shall provide Authority written notice within thirty (30) days after the date of any such damage or destruction and, upon approval by Authority, this Agreement shall terminate and the insurance proceeds received or receivable under any policy of insurance shall be paid to and retained by Authority. All fees and other sums due hereunder and payable under this Agreement shall be prorated and paid to the date of such termination. The receipt and acceptance of insurance proceeds by Authority under this Article 12 will relieve Operator from any responsibility to restore the Operations Areas to its former condition; provided, however, that Operator expressly agrees, covenants and warrants that nothing herein shall serve to relieve Operator of its liability for fines, penalties or expenses associated with, arising out of, or in any way resulting from any impairment of or damage to the environment of the Operations Areas, and Operator further waives any claim against Authority for damages or compensation, should this Agreement be so terminated.
- 11.3 Insurance Proceeds. Upon receipt by Operator of the proceeds of the insurance policy or policies, the proceeds shall be deposited in an escrow account approved by the Authority so as to be available to pay for the cost of such repair, replacement or rebuilding. Such proceeds shall be disbursed during construction to pay the cost of such work. If the amount of such insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, Operator shall pay any additional

sums required into the escrow account. If the amount of such insurance proceeds is in excess of the costs thereof, the amount of such excess shall be remitted to Operator.

- 11.4 Termination upon Destruction or Other Casualty. In the event the Operations Areas, or any part thereof, shall be destroyed or damaged in whole or in part by fire, water or any other cause, or if unforeseen occurrence shall likewise render the fulfillment of this Agreement by Authority impossible, then Authority, at its sole option, may terminate this Agreement. Operator shall pay all fees, rental, costs, and satisfy all of its obligations hereunder arising prior to the time of such termination, whereupon this Agreement shall terminate and the parties shall be relieved of all further obligation hereunder other than those which expressly survive expiration or termination of this Agreement. Operator hereby waives any claim for damages or compensation should this Agreement be so terminated.

## **ARTICLE 12** **EXPIRATION, SURRENDER AND TRANSITION**

- 12.1 Expiration. This Agreement shall expire and automatically terminate at the end of the Term as set forth in Article 3 hereof.
- 12.2 Surrender of Premises. Operator expressly agrees that it shall, upon termination or expiration of this Agreement, immediately surrender the Operations Areas and any other location(s) designated for Operator's use under this Agreement to Authority in good and fit condition, depreciation and wear from ordinary use for the purpose for which the premises were assigned being accepted. All repairs and obligations for which Operator is responsible shall be completed by the earliest practical date prior to surrender.
- 12.3 Removal of Operator's Property. Operator shall, immediately upon the expiration or sooner termination of this Agreement, remove all of its furniture, equipment, supplies and other personal property from the Airport, provided that such removal can be accomplished without material injury to any facilities at the Airport and provided that any damage caused to such facilities as a result of such removal is repaired by Operator at its own cost and expense to the satisfaction of the Executive Director. Any such property not so removed by Operator may be removed and stored by the Authority at Operator's expense, and any such property not removed or claimed by Operator within thirty (30) days after the expiration or sooner termination of this Agreement shall become the sole property of the Authority. All facilities, equipment, supplies and other personal property provided or paid for by the Authority shall be returned to the Authority in satisfactory working order and condition, normal wear and tear excepted.

- 12.4 Property of Authority. Upon the expiration or earlier termination of this Agreement, Operator shall relinquish to Authority all property of the Authority in Operator's possession including, but not limited to, equipment provided to Operator pursuant to this Agreement and all property purchased by Operator and for which the Authority reimbursed Operator.
- 12.5 Transition. Operator agrees that, it will cooperate with the Authority and the Authority's succeeding operator of the valet parking services concession to ensure a smooth transition. This includes attending meetings the Authority deems necessary prior to the transition.
- 12.6 Transition Time Line. Operator shall provide a transition plan and time-line to supervisory personnel, training staff and other employees on site beginning no later than two (2) weeks prior to the Expiration or Termination of this Agreement.

### **ARTICLE 13** **DEFAULT AND TERMINATION**

- 13.1 Automatic Termination. In the event Operator fails to (i) make within ten (10) days of its due date any payment required to be made under this Agreement, (ii) maintain the insurance coverage specified in this Agreement or (iii) provide and/or replace the Security Deposit specified in this Agreement, this Agreement shall automatically terminate upon Authority giving a written notice of termination to Operator.
- 13.2 Authority's Rights of Termination. Authority, in addition to any other right of termination herein given to it or any other rights to which it may be entitled by law or in equity or otherwise, may terminate this Agreement after giving Operator written notice upon or after the happening of any one or more of following events ("Events of Default"). Operator shall have thirty (30) calendar days to cure an Event of Default. The thirty (30) day cure period shall commence upon receipt of written notice from the Authority:

Failure of Operator to perform its obligations under this Agreement;

- (A) Operator files a voluntary petition in bankruptcy or any assignment for benefit of creditors of all or substantially all of Operator's assets;
- (B) Institution of proceedings in bankruptcy against Operator and adjudication of Operator as a bankrupt pursuant to said proceeding which adjudication is not set aside within thirty (30) days thereof;
- (D) Taking of jurisdiction by a court of competent jurisdiction of Operator and its assets by a Court of competent jurisdiction, pursuant to proceedings brought under the provision of any federal reorganization act and said

proceeding is not dismissed, discontinued or vacated within ninety (90) days.

- (E) Appointment of a receiver or trustee of Operator's assets by a court of competent jurisdiction or by a voluntary Agreement with Operator's creditors;
- (F) Abandonment by Operator of the Operations Areas or of any other location(s) designated by Authority as Operations Areas or the conduct of its business with the Airport passengers and, in this connection, suspension of operations for a period of three (3) days will be considered abandonment in the absence of a labor strike in which Operator is directly involved;
- (G) Operator is prevented for a period of thirty (30) days, from conducting its business with the Airport passengers, or it is so prevented from conducting any business at the Airport, either by:
  - 1. reason of the United States or any agency thereof, acting directly or indirectly, taking possession of, in whole or substantial part, the Operations Areas or premises required for the actual operation of Operator's business at the Airport, or
  - 2. if all or a substantial part of the Operations Areas shall be acquired through the process of eminent domain.
- (H) Failure of Operator to use the Operations Areas in accordance with the terms and conditions of this Agreement;
- (I) Failure of Operator after receiving the thirty (30) calendar days after receipt of written notice from Authority, to keep, perform or observe any other term, covenant or condition of this Agreement to be kept, performed or observed by Operator; provided, however, that if by its nature such default cannot be cured within such thirty (30) calendar day period, then such default shall not constitute an Event of Default if Operator commences to cure or remove such default within said thirty (30) calendar day period and thereafter pursues the curing or removal of such default with due diligence;
- (J) If Operator shall fail to take possession of the Operations Areas or;
- (K) Non Compliance with Florida Statute 287.133 - Concerning Criminal Activity on Contracts with Public Entities.

13.3 Payment after Default. The acceptance of rentals, fees or charges by Authority from Operator for any period or periods after a default by Operator of any of the

terms, covenants and conditions herein required to be performed, kept and observed by Operator shall not be deemed a waiver or estoppel of any right on the part of Authority to terminate this Agreement for failure by Operator to so perform, keep or observe any of said terms, covenants or conditions.

- 13.4 Termination and Reletting. Should there occur an early termination of this Agreement pursuant to the terms of this Agreement, Authority shall have the right to reenter the Operations Areas of Operator, make repairs necessary, and enter into another agreement for lease of the Operations Areas, or any part thereof, for the remainder of the term hereof. In the event of such early termination, Operator shall remain liable for such payments whether or not another Agreement is entered into, Authority's responsibility being in mitigation of damages as provided herein.
- 13.5 Operator's Right of Termination. In addition to any other right of cancellation herein given to Operator or any other rights to which it may be entitled by law, as long as Operator is not in default in payment to Authority of any amounts due Authority under this or any other Agreement, Operator may terminate this Agreement by giving Authority thirty (30) calendar days' advance written notice, to be served as hereinafter provided, upon or after the happening of the following events:
- (A) Permanent abandonment of passenger airline operations at the Airport;
  - (B) Default by Authority of any of the covenants or conditions contained herein and the failure of Authority to remedy such default for a period of sixty (60) calendar days after its receipt from Operator of written notice to remedy the same;
  - (C) Operator shall be prevented for a period of thirty (30) calendar days, after exhausting or abandoning all appeals, by an action of any government authority, board, agency or offices having jurisdiction thereof, from conducting its business with airline passengers arriving at the Airport or it is so prevented from conducting any business at the Airport by reason of a taking of possession of the Operations Areas by the U.S. Government.
- 13.6 Waiver of Jury Trial. The parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of, or in any way connected with, this Agreement, the relationship of Parties, the use or occupancy of the Airport, and/or claim or injury or damage

**ARTICLE 14**  
**STATUS UPON EXPIRATION**

If Operator holds over and continues in possession of the Operations Areas after expiration or termination of this Agreement, Operator will be deemed to be occupying the Operations Areas at sufferance from month-to-month, without limitation on any of Authority's rights or remedies hereunder, subject to all of the terms and conditions of this Agreement. Similarly, if Operator continues to exercise its privilege of doing business at the Airport after expiration of the Term of this Agreement, other than provided above, Operator will be deemed to be conducting such business at the sufferance of Authority, without limitation on any of Authority's rights or remedies hereunder, subject to all of the terms and conditions of this Agreement. In such event, Operator shall pay an amount equal to the then fair market rental for occupancy of the Operations Areas.

**ARTICLE 15**  
**SURRENDER OF OPERATIONS AREAS**

Operator shall surrender up and deliver its Operations Areas to Authority upon termination or expiration of this Agreement in the same condition as existed at the commencement of the Agreement, ordinary wear and tear excepted. Provided the Operator is not in default in the payment of rents, fees and charges required under this Agreement, Operator, at the termination of this Agreement, shall remove all of its personal property from the Operations Areas forthwith. Failure on the part of Operator to remove its personal property on the date of termination shall constitute a gratuitous transfer of title thereof to Authority for whatever disposition is deemed to be in the best interest of Authority. Any costs incurred by Authority in the disposition of such personal property shall be borne by the Operator.

**ARTICLE 16**  
**NO ACCEPTANCE OF SURRENDER**

No act or action done by Authority or Authority's agents or employees during the term of this Agreement shall be deemed an acceptance of the surrender of this Agreement and no acceptance of surrender shall be valid unless in writing.

**ARTICLE 17**  
**ASSIGNMENT AND TRANSFER**

Operator shall not, in any manner, assign, transfer or otherwise convey this Agreement, or any interest herein, or sublet the Operations Areas or any portion thereof ("Assignment"), without the prior written consent of the Authority, which consent may be

granted or withheld by the Authority in its sole discretion. Any such attempted Assignment without Authority approval shall be null and void. No request for, or consent to, such Assignment need be considered unless Operator shall have otherwise met all other legal obligations to be performed, kept, and observed by it under the terms and conditions of this Agreement or as this Agreement may be subsequently amended or modified. Authority reserves the right to investigate the financial capacity of the proposed assignee. Any permitted Assignment shall be subject to the same conditions, obligations and terms as set forth herein and Operator shall be fully responsible for the observance by its assignees of the terms and covenants contained in this Agreement. Notwithstanding any provision of this Agreement to the contrary, in the event of an approved Assignment, Operator shall remain primarily liable to Authority for fulfilling all obligations, terms, and conditions of this Agreement, throughout the Term of this Agreement. Authority may freely assign this Agreement at any time without the consent

Of Operator and upon assumption by such assignee of Authority's obligations hereunder, Authority shall be released from all liability and obligation arising hereunder after such assignment.

#### **ARTICLE 18** **SIGNS**

No signs, posters, or similar devices shall be erected, displayed, or maintained by Operator in view of the general public in, on, or about the Operations Areas or elsewhere on the Airport, without the prior written approval of the Authority, which approval may be granted or withheld by the Authority in its sole discretion. Any signs that are not approved by the Authority shall be immediately removed at the sole cost and expense of Operator. All signs approved for Operator's operations at the Airport shall be at the cost of the Operator.

#### **ARTICLE 19** **COMPLIANCE WITH LAWS, REGULATIONS, ORDINANCES, RULES**

Operator agrees that throughout the Term of this Agreement, Operator shall at all times be and shall remain in full and complete compliance with all applicable Federal, State and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature without limitation, as now or hereafter amended, including, but not limited to FAA Advisory Circulars and Airport Rules and Regulations. Operator agrees that it shall require its appropriate managers, supervisors, and employees to attend such training and instructional programs as the Authority may, from time to time require, in connection with the Airport Rules and Regulations and policies and procedures related to certification of the Airport under Title 14, Part 139 of the Code of Federal Regulations, as now or hereafter amended.

**ARTICLE 20**  
**AIRPORT SECURITY AND BADGING**

All employees/subcontractors/independent operators of the Operator assigned to Jacksonville International airport (JAX) must obtain a JAA Security Badge, at the sole expense of the Operator. The Operator will have the sole responsibility of Complying with FAA guidelines, including but not limited to, requiring a ten (10) year employment history and background check, issuance and wearing of security badges.

Any fines incurred by the JAA for violations of any FAA regulations by Operator employees/subcontractors/independent operators will be charged to the Operator, and if not promptly paid by the Operator may result in declaration of default in accordance with the terms of the Agreement. All personnel employed by the Operator will be competent, trustworthy and properly trained. The Operator and its employees will be required to comply with all the applicable regulations of the JAA. The JAA will require the Operator to remove from JAA property all employees deemed careless, incompetent, or otherwise objectionable and/or detrimental to JAA interests. In addition to all JAA security rules and regulations, which will be provided to the Operator at the post award conference, the Operator will inform their employees, and ensure their compliance with the following:

- (A) No illegal guns, knives or other weapons are allowed on the JAA premises.
- (B) No drugs or other prohibited substances, including alcohol are allowed on the JAA premises.
- (C) All building regulations concerning smoking
- (D) Consent to Search or Inspection. The Operator agrees that its vehicles, cargo, goods, and other personal property are subject to being inspected and searched when attempting to enter, leave or while on JAA property.

Operator agrees to observe all security regulations and other requirements of any agency of the Federal government, including, but not limited to, the Federal Aviation Authority (FAA) and the Transportation Security Administration (TSA), applicable to Operator, as such regulations or requirements have been or may be amended, including without limitation, Title 14, Part 139 of the Code of Federal Regulations and Title 49, Part 1500 of the Code of Federal Regulations. Operator agrees to comply with the Airport Security Program and the Air Operations Area (AOA) Vehicle Access Program, and amendments thereto, and to comply with such other rules and regulations as may be reasonably prescribed by Authority, and to take such steps as may be necessary or directed by Authority to insure that sub lessees, employees, invitees and guests observe these requirements. Operator shall conduct background checks of its employees to the extent required by any Federal, State or local law or if,

to the extent permitted by law, required by the Authority. The Authority shall have the right to require the removal or replacement of any employee of Operator at the Airport that the Authority has reasonably determined may present a risk to public safety or the security of the Airport. If as a result of the acts or omissions of Operator, its sub lessees, employees, invitees or guests, Authority incurs any fines and/or penalties imposed by the FAA or TSA; any expense in enforcing the regulations of the FAA or TSA or the rules or regulations of Authority; or any expense in enforcing the Airport Security Program, then Operator agrees to pay to Authority all such costs and expenses, including all costs of administrative proceeding, court costs, and attorneys fees and all costs incurred by Authority in enforcing this provision. Operator further agrees to rectify any security deficiency or other deficiency as may be determined by Authority, the FAA or TSA. In the event Operator fails to remedy any such deficiency, Authority may do so at the cost and expense of Operator. Operator acknowledges and agrees that Authority may take whatever action is necessary to rectify any security deficiency or any other deficiency identified by Authority, the FAA or TSA.

## **ARTICLE 21** **NON-DISCRIMINATION**

Operator, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities; and (2) that Operator shall use the Airport premises in compliance with all requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended. In the event of breach of any of the above nondiscrimination covenants, Authority shall have the right to terminate the Agreement.

## **ARTICLE 22** **AMERICANS WITH DISABILITIES ACT**

Operator shall comply with the requirements of "The Americans with Disabilities Act" (ADA) as published in the Federal Register, Volume 56, No. 144 and the State of Florida Accessibility Requirements Manual (ARM) as it applies to Operator's facilities and operations at the Airport.

**ARTICLE 23**  
**AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE**

This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Operator agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

The Operator agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

- 23.1 Policy. It is the policy of the JAA to recognize the authority and applicability of the United States Department of Transportation's Rules and Regulations governing Airport Concession Disadvantaged Business Enterprise (ACDBE)/DBE participation. The Aviation Authority is also fully committed to the implementation of these Rules and regulations through its approved Airport Concession Disadvantaged Business Enterprise (ACDBE) Program.
- 23.2 Certification (49 CFR Part 26.61-91, Part 23 Subpart C). The JAA will use the procedures and standards of Part 26.61-91 and 23.31, Subpart C for certification of ACDBEs to participate in its ACDBE program. Firms desiring to participate as an Airport Concession Disadvantaged Business Enterprise (ACDBE)/DBE on JAA projects or contracts must be duly certified by a member of the Florida Unified Certification Program (FUCP) and listed in the FUCP DBE Directory <http://www.bipincwebapps.com/biznetflorida/> of firms. Any ACDBE/DBE firm not duly certified by a FUCP certifying member by proposal closing date may not be used to meet the airport concession disadvantaged business participation requirements of the JAA.
- 23.3 ACDBE Goal. JAA encourages the inclusion of firms owned and controlled by minorities and women in contract awards and projects whenever feasible. This policy is consistent with the administrative mandate set out by the United States Department of Transportation Code of Federal Regulations in Title 49 Part 23 and Part 26. A participation goal of five percent (5%) was established for this project.

**ARTICLE 24**  
**NOTICES AND COMMUNICATIONS**

All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such

notice) hand delivered by messenger, courier service or overnight mail, or alternatively shall be sent by United States Certified Mail, with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services or overnight mail, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The parties hereby designated the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

TO AUTHORITY:

Executive Director/CEO  
Jacksonville Aviation Authority  
14201 Pecan Park Road  
Jacksonville, Florida 32218

TO OPERATOR:

Manager

or to such other address as the addressee may designate in writing by notice to the other party delivered in accordance with the provisions of this article.

#### **ARTICLE 25** **FEDERAL RIGHTS TO RECLAIM**

In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Operations Areas are located, for public purposes for a period in excess of ninety (90) days, either party may terminate this Agreement by providing written notice of such termination to the other party and the parties shall thereupon be released and fully discharged from any and all liability hereunder arising after such termination or as a result thereof. This Article 26 shall not act or be construed as a waiver of any rights Operator may have against the United States as a result of such taking.

#### **ARTICLE 26** **RIGHT OF FLIGHT**

Authority reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Operations Areas together with the right to cause in said airspace such noise as may be inherent in the operations of aircraft now known or hereafter used, for navigation of or flight in the said airspace for landing on, taking off from, or operating on the Airport.

**ARTICLE 27**  
**PROPERTY RIGHTS RESERVED**

This Agreement shall be subject and subordinate to all the terms and conditions of any instruments and documents under which Authority acquired the land or improvements thereon, of which said Operations Areas are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Operator understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future Agreement between Authority and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity.

**ARTICLE 28**  
**QUIET ENJOYMENT**

Authority covenants that Operator shall and may peaceably and quietly have, hold and enjoy its Operations Areas and all parts thereof for the term hereby granted, subject to the terms and provisions hereof.

**ARTICLE 29**  
**NO MORTGAGE RIGHTS OF OPERATOR**

The Operator shall not have the right to mortgage, hypothecate, pledge, or otherwise encumber its leasehold interest for the purpose of securing a loan from any lender.

**ARTICLE 30**  
**WAIVERS**

No waiver by Authority at any time of any of the terms, conditions, covenants, or Agreements of this Agreement, or noncompliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant, or Agreement herein contained, nor of the strict and prompt performance thereof by Operator. No delay, failure or omission of Authority to reenter the Operations Areas or to exercise any right, power, privilege, or option arising from any default nor subsequent acceptance of fees and charges then or thereafter accrued, shall impair any such right, power, privilege, or option or be construed to be a waiver of any such default or relinquishment thereof, or acquiescence therein. No notice by Authority shall be required to restore or revive time as of the essence hereof after waiver by Authority or default in one or more instances. No option, right, power, remedy, or privilege of Authority shall be construed as being exhausted or discharged by the exercise thereof

in one or more instances. It is agreed that each and all of the rights, power, options, or remedies given to Authority by this Agreement are cumulative and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, and that the exercise of one (1) right, power, option or remedy by Authority shall not impair its rights to any other right, power, option or remedy.

**ARTICLE 31**  
**SUBORDINATION TO BOND RESOLUTION**

This Agreement and all rights granted to Operator hereunder are expressly subordinated and subject to the lien and provisions of the pledge, transfer, hypothecation or assignment made by Authority in any Bond Resolution heretofore or hereafter adopted by the Authority, and Authority and Operator agree that to the extent permitted by authorizing legislation, the holders of the Bonds or their designated representatives may exercise any and all rights of Authority hereunder to the extent such possession, enjoyment and exercise are necessary to insure compliance by Operator and Authority with the terms and provisions of this Agreement and Bond Resolution.

**ARTICLE 32**  
**SUBORDINATION TO FEDERAL AGREEMENTS**

This Agreement shall be subject and subordinate to all the terms and conditions of any instrument and documents under which Authority acquired the land or improvements thereon and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Operator understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future Agreement between Authority and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

**ARTICLE 33**  
**GOVERNING LAW AND VENUE**

This Agreement shall be construed in accordance with the laws of the State of Florida. Venue for any action for breach of or enforcement of any provision of this Agreement shall be Duval County.

**ARTICLE 34**  
**RIGHT TO ENTRY**

Authority, through its Executive Director, shall have the right to request from Operator and to be provided entry to the Operations Areas assigned herein to Operator, for the purposes and to the extent necessary to protect Authority's rights and interest, to provide for periodic inspection of said Operations Areas from the standpoint of safety and health, and to check Operator's compliance with the terms of this Agreement. Access shall be upon twenty-four (24) hours notice and jointly with a representative from Operator. No notice shall be required in the event of emergency.

**ARTICLE 35**  
**TIME OF THE ESSENCE**

Time is expressed to be of the essence of this Agreement.

**ARTICLE 36**  
**PUBLIC ENTITY CRIMES**

If Operator is a corporation or other artificial entity, the undersigned officer of Operator hereby warrants and certifies to Authority that Operator is an entity in good standing and is authorized to do business in the State of Florida. The undersigned officer of Operator hereby further warrants and certifies to Authority that he or she, as such officer, is authorized and empowered to bind the entity to the terms of this Agreement by his or her signature thereto and the Operator is in compliance with Florida Statute 287.133, concerning criminal activity on contracts with a public entity.

**ARTICLE 37**  
**INCORPORATION BY REFERENCE**

All terms, conditions, and specifications of all exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Agreement by reference.

**ARTICLE 38**  
**CONSTRUCTION**

Neither party shall be considered the author of this Agreement. The terms of this Agreement shall not be strictly construed against one party as opposed to the other based upon who drafted it.

**ARTICLE 39**  
**MISCELLANEOUS**

All of the terms and provisions hereof shall be binding upon and the benefits inure to Authority and Operator and their heirs, personal representatives, successors and assigns. Wherever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders. This Agreement, and instruments or documents relating to same, shall be construed under Florida law. This Agreement represents the complete Agreement of the parties and any prior Agreements or representations, regarding the subject matter of this Agreement, whether written or verbal, are hereby superseded. This Agreement may subsequently be amended only by written instrument signed by the parties hereto. The invalidity of any portion, article, paragraph, provision or clause of this Agreement shall have no effect upon the validity of any other part of portion thereof.

***{REMAINDER OF PAGE HAS INTENTIONALLY LEFT BLANK}***

IN WITNESS WHEREOF, the AUTHORITY AND OPERATOR hereto have duty executed this Agreement as of the day and year first above written.

**AUTHORITY:**

**OPERATOR:**

**JACKSONVILLE AVIATION AUTHORITY**

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

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

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**WITNESSES FOR AUTHORITY:**

**WITNESSES FOR**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name Printed

\_\_\_\_\_  
Name Printed

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Signature

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Signature

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Name Printed

\_\_\_\_\_  
Name Printed

Approved as to Form and Legality for the Use and Reliance of the Jacksonville Aviation Authority only.

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

Debra A. Braga  
Chief Legal Officer, JAA

**EXHIBIT "A"**  
**PREMISES AREAS**

DRAFT

**EXHIBIT "B"**  
**ASSIGNED AREAS**

DRAFT

**EXHIBIT "C"**  
**OPERATIONS AREAS**

DRAFT

**EXHIBIT "D"**  
**OPERATIONS AREAS**

DRAFT