

Request for Proposals Rental Car Concessions

1 The Opportunity

1.1 Project Summary

The St. Joseph County Airport Authority (“Authority”) is seeking competitive proposals from qualified rental car companies to operate up to four (4) on-airport rental car concessions at the South Bend International Airport (“Airport”).

1.2 Airport Background

South Bend International Airport is a 14 CFR Part 139 certified primary service airport located in north central Indiana, approximately 3 miles northwest of the City of South Bend, Indiana. South Bend International’s four air carriers provide non-stop flights to 13 cities: Atlanta, Charlotte, Chicago, Dallas/Fort Worth, Detroit, Punta Gorda/Fort Myers, Las Vegas, Minneapolis, Knoxville, Orland/Sanford, Phoenix/Mesa, Sarasota/Bradenton and Tampa Bay/St. Petersburg with connections world-wide. South Bend International Airport’s multi-modal terminal serves over one million air and rail passengers each year. According to the 2012 Economic Impact Report from the Aviation Authority of Indiana, the South Bend International Airport’s total annual economic impact on South Bend and surrounding communities was in excess of \$1.7 billion.

Additional statistical information on SBN can be found at:

http://www.flysbn.com/airport_statistics.php

1.3 Rental Car Background

While rental car operations have existed at the South Bend International Airport for decades,

there is a need to enter into updated contracts that reflect the current market and the new Quick-Turn Around Facility (“QTA”). All successful proposers will be required to rent space in the QTA and in the terminal.

Currently, three (3) on airport rental car concessionaires operate at the Airport under the following brand names – Avis/Budget, Enterprise, National/Alamo. Each concessionaire occupies a customer service counter and administrative office. Each concessionaire also occupies parking spaces in the area located adjacent to the terminal (Ready/Return Area). Exhibit A depicts the existing premises available for this RFP including counter and administrative office space (one counter and one office per concessionaire), vehicle parking spaces in the ready/return lot, and a depiction of the QTA currently under construction. The premises available for this RFP include up to 4 counter space/administrative office (one counter and office space per concessionaire), vehicle parking spaces in the ready/return area, as well as space in the QTA.

1.3 Goals

It is the goal of the Airport Authority to develop, provide, and maintain a first-class rental car facility and services at the Airport. The awarded concessionaires will:

- Provide services according to the Authority’s standards
- Share in the Authority’s vision of quality
- Focus on customer service, delivering an outstanding experience
- Work well with our business partners and community stakeholders

1.4 Award Terms

This contract will be for a period of five (5) years. The total contract term will not exceed the initial five (5) years. Each proposer may only submit one proposal. The Authority may award

contracts for up to the four (4) of the most qualified and responsive proposers submitting the highest minimum annual guarantee (“MAG”) amount for the five (5) year contract. Proposers contract year MAG proposals shall not be less than \$100,000, per year. MAG proposals of less than \$100,000 per year will not be considered.

Each selected Concessionaire will be awarded one (1) rental car concession at the Airport and will only be allowed to operate under the brand or trade name(s) listed in its proposal. The number of brand/trade names is limited to two (2) per proposal.

The Successful Proposer with the highest acceptable 5-year total MAG will be offered the first choice of one (1) counter/office location in the terminal and the first choice of a pair of bays at the QTA and its proposal share of space in the Ready/Return area. The available number of ready lot spaces shall be 481 minus 25 guaranteed spots per each Successful Proposer. Proposal share is the percentage derived by comparing each successful proposer’s complete proposal with the total amount of all successful Proposer’s complete Proposals. There will be no re-allocation or relocation of counters, offices and QTA Space during the term of the contract. The Airport may reallocate the Ready Return Lot at any time to accommodate construction or other Airport Needs. The Ready Return Lot will be reallocated for changes in market share conditions once per lease year.

2 SCOPE OF WORK

2.1 Description of Services

The selected Proposers shall provide all services necessary to operate, manage and maintain on-airport rental car services on an ongoing basis. The Proposer shall provide rental car services in a manner to make the Airport’s rental car operations profitable while balancing the customer experience and providing the highest standard of professional, courteous, efficient and safe

services.

2.2 Hours of Operation

Proposer shall provide service thirty (30) minutes prior to the first arrival until one hour after the last arrival daily, including delays up to 2 hours for any customer who has reserved a vehicle in advance.

2.3 Employees

The Proposer shall be solely responsible for selecting, hiring, employing, paying, supervising, training, and discharging its personnel. The Proposer must select employees who are capable of obtaining an airport identification card as an airport identification card is required to work at the South Bend International Airport.

2.4 Operation of motor vehicles by Authorized Personnel

Proposer shall make sure that personnel and authorized representatives do not race, speed, or operate motor vehicles in an unsafe manner. Any violations observed will be reported to Proposer's on-site manager for immediate correction and discipline by Proposer and/or Authority.

2.5 Acceptance of Premises

The successful Proposers shall accept the Premises in "as-is" condition with absolutely no warranties as to condition or suitability for use being given by the Authority and shall release the Authority from any liability in connection with such condition. The Successful Proposers acceptance of the Premises shall be conclusive evidence that it has accepted the same in "As is, where is, and with all faults" condition and that the Premises were in good and satisfactory condition for the use intended at the time such possession was taken.

2.6 Maintenance

Proposer shall be responsible for all maintenance on equipment owned by Proposer as well as any damage to Authority owned buildings or equipment caused by Proposer their employees, contractors, guests, invitees and affiliates.

3 Quick Turn-Around Facility (QTA)

Each successful Proposer will be required to rent two bays at the QTA located at the Airport. One bay will be for minor maintenance and contain a vehicle lift. One bay will include a hook up for a washer/dryer and air compressor which must be provided by Proposer as well as a slop sink and floor drain. Authority will provide an automatic car wash and fueling facilities.

Proposer will be responsible for a monthly rental fee as well as a per wash fee to use the car wash.

4 Airport Concessions Disadvantaged Business Enterprise (ACDBE)

In accordance with Regulations of the U.S. Department of Transportation 49CFR 23, Subpart F, the Authority has implemented an airport concessionaire disadvantaged business enterprise (ACDBE) plan under which qualified firms may have the opportunity to operate an airport business. An ACDBE goal of 3.4%, as measured by total estimated annual gross receipts, has been established for the current Lease Agreement(s) with the Authority. This goal shall be adjusted as needed or required by the FAA. The successful Proposer(s) shall take all necessary and reasonable steps to achieve this goal and report yearly to the Authority.

ACDBE participation may be in the form of one or more subleases, joint ventures, partnerships or another legal arrangement meeting the eligibility standards in 49 CFR 23, Subpart F, or participation may be in the form of the purchase of services, good and products necessary for the

conduct of its business and operation at the Airport. If the Proposer qualifies as an ACDBE the goal shall be deemed to have been met.

If the successful Proposer(s) will be unable to achieve the ACDBE Goals stated herein, they will be required to provide the documentation to the Authority's ACDBE Liaison Officer demonstrating that it or they took all necessary and reasonable steps in attempting to do so.

Authority's ACDBE Liaison Officer is Kerianne Linn, who is available at 574-800-3221 or by email at klinn@sbnair.com. The Authority's ACDBE Concession Plan is available at [acdbe-goals-22-24.pdf \(flsbn.com\)](#).

5 Contract

5.1 Communication and Management. The Authority will schedule at a minimum, quarterly meetings to discuss operational issues and any other feedback. There should be consistent communication between the Authority and the Contractor if any issues or suggestions arise.

5.2 Performance Reports. No later than the 15th day of the month the Proposer shall submit to the Authority a report listing the monthly gross sales and fees due to the Airport for the previous month.

5.3 Fees. The Concessionaire shall make payments to the Authority as follows:

- Rental Fee for Exclusive Leased Space in the South Bend International Airport Terminal. Concessionaire shall pay to Authority as rental for this exclusive leased space the sum of \$4.27 per square foot per month.
- Rental fee for exclusive leased space in the QTA. Concessionaire shall pay to Authority as rental for this exclusive leased space the sum of \$3.80

per square foot per month.

- Security Fees. Concessionaire shall pay for security fees of \$300.00 per month.
- Operating Fees. Concessionaire shall pay an operating fee for each lease year of the Agreement which shall be the greater of the sum of the minimum annual guarantee or 10% of gross whichever is greater.
- Ready/Return Area: \$20.00 per month for each 25 guaranteed parking spaces.
- Car wash fee: concessionaire will be charged a fee for use of the automated car wash, \$2.00 per each instance.
- Fuel charges. The concessionaire will be charged for fuel at a rate determined by the Authority reflecting the cost and a surcharge of \$0.25 per gallon.
- Proposer may charge customers a concession recovery fee to be included in gross revenues however it may not exceed 11.11% of the total cost to the customer.
- Minimum annual guarantee abatement. In the event that the total number of scheduled deplaning airline passengers at the Airport for any year during the term of this Agreement declines to a level lower than seventy-five (75%) percent of the number of deplaning passengers for the corresponding month of the previous Agreement year, Concessionaire MAG shall be abated by percentage equal to the percentage decrease in such deplaning passengers, for each year during

which deplaning passengers, remain at a level less than seventy-five (75%) percent of the deplaning passengers for the previous Agreement year. Concessionaire shall continue to pay Concession Fee for each month for which the MAG is abated. When annual deplaning passengers rise to a level at or above seventy-five (75%) percent on passenger deplanements of the previous Agreement year, Concessionaire's full MAG shall be reinstated.

- Rental Fees - adjusted annually by CPI at the beginning of each contract year. Other fees (except operating fee) will be adjusted as needed to reflect cost increases to the authority.
- Customer Facility Charge – The Authority currently imposes a CFC in the amount of \$4.50 per contract day with a maximum of \$49.50 per rental. Rates may be adjusted from time to time per the Rates and Charges Resolution.

5.4 Lease Agreement- Exhibit "B" attached to this agreement is the Lease Agreement

6 Timeline

- Issue RFP February 26, 2024
- RFP Questions/requests for information due March 18, 2024
- Addendum March 22, 2024
- Proposals Due to Authority April 22, 2024
- Selection of Qualified Proposers April 29, 2024
- Board Approval of Leases May 30, 2024

- Agreement Begins July 1, 2024

7 Content

7.1 The Authority reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time prior to the award of a contract pursuant hereto, if it is in the best interest of the Authority to do so.

7.2 The Authority reserves the right to request clarification of any proposal term from the Proposers.

7.3 Each Proposer must include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, any civil or criminal litigation or investigations pending which involves the Proposer or in which the Proposer has been judged guilty or liable. Failure to comply with the terms of this provision will disqualify any proposal. The Authority reserves the right to reject any proposal based upon the Proposer's prior history with the Authority or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures.

7.4 Proposal must provide all information required.

7.5 All Proposals must provide for a minimum annual guaranteed payment to Authority of not less than \$100,000 per agreement year.

7.6 The proposal form must be fully completed and signed by the proposer's authorized representative using the Proposal Form attached to this RFP as Exhibit C. The proposal form includes a MAG for each lease year, proposer contact information, proposer capacity and experience, references.

7.7 The Authority will not be responsible or bound by an oral communication or any other information or contact that occurs outside the official communication process specified herein, unless confirmed in writing by the Authority.

7.8 Any questions, or requests concerning the RFP must be received in writing to Kerianne Linn, via email at klinn@sbnair.com prior to the date indicated in Section 6. The Authority's response to questions, comments or requests will be provided in the form of a written addendum to the RFP. Any addendum issued by the Authority will be issued on the Authority website at www.flysbn.com by the date indicated in Section 6.

8 Submission

8.1 Proposals will be received until 12:00 p.m. (local time) at the date indicated in Section 6 at the St. Joseph County Airport Authority, at the information window at the Airport Authority 4477 Progress Drive, South Bend, IN 46628.

8.2 Each proposal must be contained in an envelope which shall be sealed, conspicuously endorsed with the Offeror's name. Proposals may be either mailed or hand delivered.

8.3 Proposals may be withdrawn by written notice received prior to the proposal opening time.

8.4 The Authority is not liable for any costs incurred by Proposers. Costs of developing the proposals or any other such expenses incurred by the Proposer in responding to the RFP, are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the Authority.

8.5 Proposals will be received and publicly acknowledged at the location, date and

time as stated. Proposers, their representatives and interested persons may be present. The proposal shall be received and acknowledged only so as to avoid disclosure of the contents to competing offers and kept secret during evaluations. However, proposals shall be open for public inspection after the contract is awarded, except for trade secrets and confidential information contained in the proposal and identified by proposers as such.

9 Selection Criteria

9.1 Minimum Qualifications. All proposers must have experience operating/managing an airport rental car business/ rent vehicles no older than two (2) model years of age; maintain vehicles in clean and good working order. Each Proposer must be a recognized company, corporation, sole proprietorship, limited liability company (LLC), or partnership, organized under the laws of the United States of America, must be authorized to do business in the State of Indiana and provide written proof thereof. Each proposer must demonstrate it has adequate financial resources. The Authority reserves the right to question the information presented and require further information in support of the accuracy thereof. All such information submitted will be held confidential by the Authority to the extent permitted by the laws of the State of Indiana. Franchisees of national firms must demonstrate they have the financial support of the national organization. By submitting a proposal, a proposer certifies that neither it nor its principals are presently debarred or suspended by a Federal department or agency from participation in the Agreement.

9.2 Evaluating Criteria. Authority staff will evaluate all proposals based on what is most advantageous to the Airport and its patrons. Staff will then select up to four (4) proposals for the operation of the four (4) rental car concessions at the South Bend International Airport. Proposals will be evaluated on financial stability, proposed MAG, demonstrated ability to meet

MAG and projected revenues.

10 Miscellaneous

10.1 The Authority will not be liable for any federal, state or local taxes.

10.2 Proposal will become public record after the conclusion of the negotiation process and before the final approval by Authority unless the proposal or specific parts of the proposal can be shown to be exempt by law.

10.3 Any contract resulting from this RFP shall not be effective unless and until approved by the Authority Board of Directors.

10.4 No announcement concerning the awarded of a contract as a result of this RFP may be made without the prior written approval of the Authority.

10.5 The submission of the proposal shall be considered conclusive evidence that the proposer: (1) has read, is thoroughly familiar with and fully understands the RFP and all related documentation and materials (2) considers itself fully qualified, experienced, capable and competent to occupy and use the subject property and successfully engage in the proposed activities at the airport and is fully aware and understands all the requirements associated with doing so, (3) has thoroughly, conscientiously and independently investigated all aspects of the opportunity and all related documentation, or material conveyed in this RFP or otherwise provided by the Authority (4) is fully aware of and understands the conditions or circumstances that exist in the aviation industry, the community, at the airport and in the marketplace.

10.6 Proposal must be complete, accurate and free of ambiguity, incomprehensibility, alterations or irregularities of any kind. Upon completion, the proposal must be signed in ink by the proposer or an authorized representative of the proposer and included with the proposal.

10.7 In the case of conflict between words and numerals, the words unless obviously incorrect shall control or prevail. Proposers are cautioned to verify and confirm all aspects of the proposal prior to submittal. Negligence and omission on the part of the proposer or any party preparing any portion of the proposal confers no right to withdraw or make changes, additions, or deletions to the proposal after the proposal submission deadline.

Exhibit A





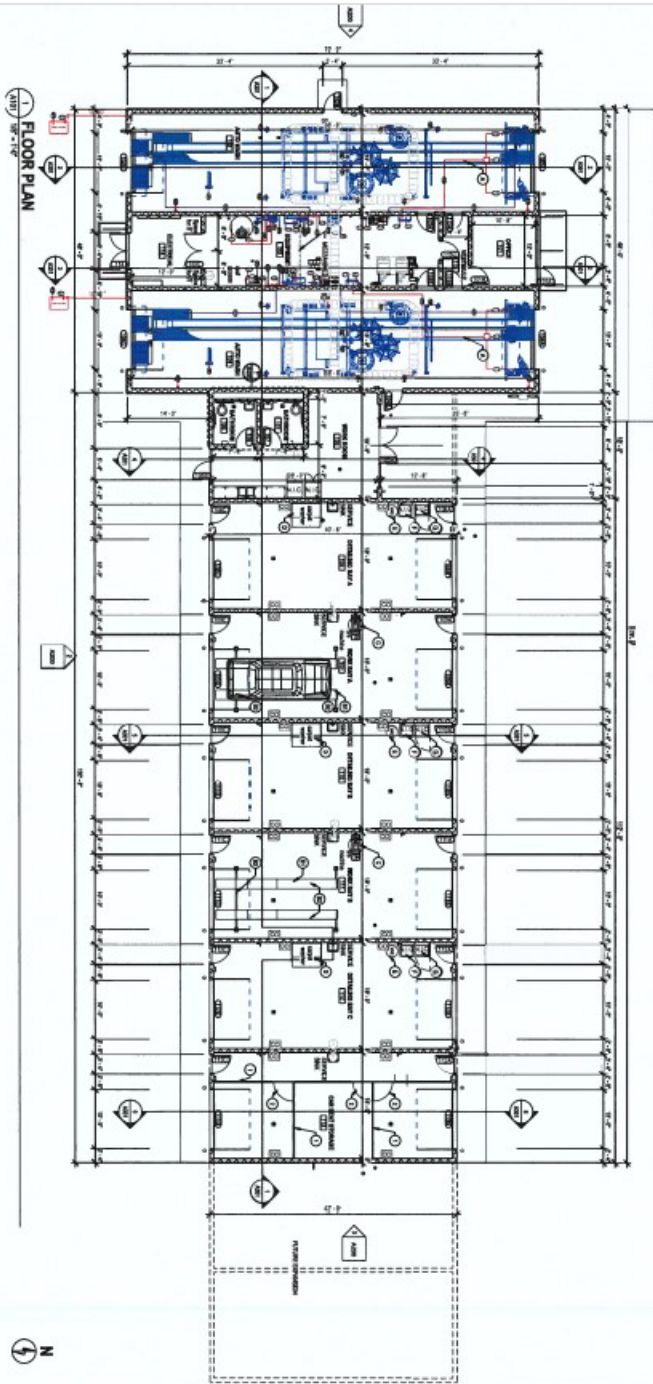


Exhibit B
LEASE AGREEMENT

AUTOMOBILE RENTAL CONCESSION
SOUTH BEND INTERNATIONAL AIRPORT

THIS AGREEMENT, is made this _____ day of _____, 2024 between the St. Joseph County Airport Authority, a municipal corporation (the "Authority"), and _____, a corporation incorporated under the laws of the State of _____ (the "Concessionaire").

RECITALS

- A. The Authority currently owns and operates an airport known as the South Bend International Airport (the "Airport") located in St. Joseph County, Indiana and
- B. The Authority deems it advantageous to itself and to its operation of the Airport to lease to Concessionaire certain rights, privileges and uses, necessary to conduct its car rental service.

COVENANTS

NOW THEREFORE, in consideration of the mutual promises and covenants of the parties, it is agreed as follows:

ARTICLE I

PREMISES

The Authority leases to Concessionaire certain space together with certain attendant rights and privileges as specifically set forth in this Agreement.

- A. TERMINAL. The Leased Premises shall be as follows: The exclusive use of the space provided for Concessionaire in terminal area of the Airport consisting of approximately 330 square feet, and which is more particularly described in Exhibit "A" attached to and by this reference made a part of this Agreement.
- B. QUICK TURN AROUND FACILITY (the "QTA"). The lease premises shall be as follows: The exclusive use of space provided for Concessionaire in the QTA, which shall consist of one wash bay consisting of 732 square feet and one maintenance bay consisting of approximately 732 square feet more particularly described in Exhibit "B" attached to and by this reference made a part of this Agreement. All terms and conditions of this Agreement regarding the QTA facility shall take effect upon the first day of the month following the notification from the Authority of the completion of construction of the facility.
- C. READY/RETURN PARKING LOT. The lease premises shall consist of 25 guaranteed spots and the remaining spots shall be assigned respective of the proportion of the total minimum annual guarantee as indicated in section IIIG. As indicated in Exhibit "C"

ARTICLE II

TERM OF LEASE AGREEMENT

- A. TERM. Subject to earlier termination as may be provided in this Agreement, the term of this Lease Agreement shall be for a period commencing on the 1st day of July 2024 and ending on the 30th day of June 2029.
- B. HOLDING OVER. In the event Concessionaire shall continue to occupy the Leased Premises beyond the term of this Agreement without consent of Authority, or after the Authority gives written notice to vacate, such holding over shall not constitute a renewal of this Agreement but shall be a month-to-month tenancy only. The amount of rent to be paid for each month during the hold over period shall equal one and one half (1 ½) times the monthly rent chargeable at the termination of the Agreement.

ARTICLE III

FEES

Concessionaire shall pay to the Authority, during each year fees as follows:

- A. FEES.
 - 1. TERMINAL
 - a. Rental Fee for Space leased to Concessionaire. Concessionaire shall pay to Authority as rental for one rental counter and office space. Rental rate shall be \$4.27 per square foot for approximately 330 square feet for a total of \$1,409.10 per month.
 - 2. Security Fees. Concessionaire shall for security fees the sum of \$300.00 per month.
 - 3. QTA.
 - a. SERVICE BAY. Concessionaire shall pay to Authority as rental for one maintenance bay and one cleaning bay located at the QTA facility. Rental rate shall be \$3.80 per square foot for approximately 732 square feet for a total of \$2,781.60 per month, per bay.
 - b. CAR WASH- Concessionaire shall have the non-exclusive use of an automatic car wash located at the QTA. Each wash shall be for the sum of \$2.00 billable for the month following the month in which the car wash can happen. Car wash fees shall be reviewed and adjusted annually and shall never increase more than 25% over the previous year.
 - c. FUEL. Minimum of one 1,000-gallon fuel tank will be available for the non-exclusive use by concessionaire. A fee shall be on a per gallon dispersed basis payable the month following the month in which the fuel was dispensed. Fuel Fees shall fluctuate with actual cost of product and expense to the Authority. A twenty-five (\$.25) cent per gallon fee shall be added to each gallon dispensed to Concessionaire.
 - 4. Ready/Return Lot. Concessionaire shall pay to Authority as rental for 25 guaranteed parking spots located in the Ready Lot. Rental rate shall be \$20.00 per spot for a total of \$500 per month.

5. Rent Increases. The minimum rental to be paid is based upon the cost of living for the month of November 2023 as reflected in the Consumer Price Index for all items for the United States city average (CPI-U) as determined by the United States Department of Labor, Bureau of Labor Statistics, based on all items for the years 1982-84=100, which index figure for November 2023 was 307.051. It is agreed by the parties that the minimum annual rental shall be adjusted in the following manner every year during the term on the basis of the Consumer Price Index, or if there shall be no such Consumer Price Index, the by the successor of the most nearly comparable successor index (Approximately adjusted to the November 2023 (base); (i) the basic index figure for this purpose shall be the index figure for November 2023 that is to say 307.051. If the corresponding index figure for November 2023 and each anniversary thereafter during the term of his lease shall exceed the basic index figure of November 2023, then the minimum annual rental for each lease year thereafter until refigured, shall be increased to an amount arrived at by multiplying the minimum annual rent by a fraction, of which the numerator shall be the index figure of November of the year recomputation, and the denominator shall be 307.051, (ii) notwithstanding any possible provision to the contrary contained in this Agreement, it is agreed by the parties that the minimum rental payable for any lease year during the term shall never be less than \$4.27 per square foot for terminal lease space; \$ 300.00 per month for Security Fees; \$3.80 per square foot for QTA lease space; \$2.00 per car wash; and \$20.00 per ready/return lot space.

6. Operating Fees. Concessionaire agrees to an operating fee for each lease year of the Agreement which shall be the greater of the sum of (\$ _____) per lease year hereinafter referred to as the minimum annual operating fee, or 10% of the gross receipts of Concessionaire as hereafter defined in the Agreement, whichever is greater. To facilitate collection of the operating fee, Pursuant to Indiana Code 24-4-9-176 (4) Concessionaire shall separately disclose and charge each of its customers the 10% operating fee, and such fee shall be considered part of and included in the definition of Gross Receipts. Such fee shall be titled "Concession Recovery Fee" or "Concession Recoup Fee" and shall not exceed 11.11%.

- a) The operating fee shall be paid in monthly installments each installment to consist of a sum equal one twelfth (1/12) of the minimum annual operating fee or the applicable percent of the Concessionaire's gross receipts for the previous month, whichever is greater.
- b) "Gross Receipts", as used herein shall be construed to mean, for the purpose hereof, the time and mileage charges received for rentals hereunder, after discount, together with sums received from insurance companies by reason of customer's acceptance of Personal Accidental Insurance coverage. However, Gross Receipts shall not include the amount of federal, state, or municipal sales, or other similar taxes separately stated and collected from customers of Concessionaire now or hereafter levied or imposed; nor any sums received as insurance or otherwise for damage to automobiles or other property of Concessionaire; or for loss conversion, or abandonment of such automobiles; nor any charges collected from customer for damages to the vehicle rented; nor any charges collected from customers as

reimbursement for fueling, nor any sums received by reason of Concessionaire's disposal of capital assets and/or trade fixtures. Gross receipts shall also include all monies paid or payable to Concessionaire for automobiles supplied by Concessionaire to its customers at the Airport without regard to the manner in which or place at which Concessionaire has received the order for the automobile and regardless as to whether the automobiles are returned to the Airport or some other station or location. Gross receipts shall also include all monies paid or payable on any automobile exchanged elsewhere or where there is still further exchange for automobiles rented originally at the Airport. The Concessionaire shall have the right to conduct part of its operation on a credit basis, provided however, the risk of such credit operation shall be borne solely by the Concessionaire, and the Concessionaire for the purpose of its concession rentals shall report all income both cash or credit, in its monthly Gross Receipts statements. Credit given to Concessionaire's customers for such things as out-of-pocket purchase for gas, oil, emergency services, and deposit regardless of where made, shall be included in computing Gross Receipts. No deduction shall be allowed from Gross Receipts for the payment of franchise taxes, or taxes levied on concession activities, facilities, equipment or real or personal property for the Concessionaire. No deductions from Gross Receipts, other than those specifically authorized herein will be allowed.

- c) The term lease year shall mean the period from July 1 to June 30 of each year during the term of this Agreement.
- d) Should this Agreement terminate or be terminated at any time other than at the end of a lease year, the minimum annual operating fee for the lease year in which such termination occurs shall be that portion of the minimum annual operating fee stated in this Agreement represented by a fraction of which the denominator shall be 365 and the numerator shall be the number of days of such lease year which shall have elapsed prior to the effective date of such termination. If the "operating fee percentage of gross receipts" due by Concessionaire for the portion of the lease year prior to any such termination exceeds the minimum annual operating fee for such portion of the lease year, any such excess shall be paid to Authority within thirty (30) days after such termination.
- e) In the event that the total number of scheduled deplaning airline passengers at the Airport for any year during the term of this Agreement declines to a level lower than seventy-five (75%) percent the number of deplaning passengers for the corresponding month of the previous Agreement year, Concessionaire MAG shall be abated by percentage equal to the percentage decrease in such deplaning passengers, for each year during which deplaning passengers, remain at the level less than seventy-five (75%) percent of the deplaning passengers for the previous Agreement year. Concessionaire shall continue to pay Concession fee for each month for which MAG is abated. When annual deplaning passengers rise to a level at or above seventy-five (75%) percent on passenger deplanements of the previous Agreement year, Concessionaire's full MAG shall be reinstated.

- B. TIME AND PLACE OF PAYMENT. All fees except the operating fee, fuel fee and the car wash fee shall be due and payable on the first day of each month with the first installment due on the 1st day of July 2024. Operating, fuel and car wash fees shall be due and payable on the fifteenth (15th) day of each month for the preceding calendar month of operation. All payments are to be made at the office of the CEO & Executive Director or such other place Authority may direct Concessionaire in writing.
- C. REPORTS. Concessionaire shall, on or before the fifteenth (15th) day of each calendar month during the term of this Agreement, provide a statement showing its gross receipts for the previous calendar month, and shall remit the required portion of the operating fee with such statement. Such statement shall show such reasonable detail and breakdown as may be required by the Authority, but Authority shall not be bound by any presumption as to the correctness of such statement. All reports must be emailed to sbnaccounting@sbnair.com.

Concessionaire shall keep a true and correct copy of all of its gross receipts and shall furnish the Authority annually by November 30th, a certified audited statement, verified by an independent certified public accountant showing all Gross Receipts derived from its operations of the concession during the lease year. Such statement shall be in a form acceptable to the Authority. If the audited statement of gross receipts indicates an annual payment of operating fees that is less than the minimum annual operating fee, then within five (5) days following the date of the audited statement of gross receipts, the Concessionaire shall pay the Authority the amount by which the minimum annual operating fee exceeds the annual operating fee payments.

If the annual Statement of Gross Receipts indicates that Concessionaire's total monthly payments on the Annual Operating Fee for the preceding year exceed the greater of 1) 10% of the gross receipts of the Concessionaire for the preceding year or 2) the Minimum Annual Operating Fee for the preceding year, the amount of such excess shall be credited to Concessionaire's account and applied against one or more of the next succeeding monthly payments on the Annual Operating Fee during the next year of the Agreement, if there is one. In the event Concessionaire is not a select Concessionaire for rental car services after the expiration of this Agreement, a cash payment will be made to Concessionaire for the amount of such excess for the last year of the Agreement.

- D. DELINQUENT FEES. There shall be added to all sums due Authority and unpaid, an interest charge of one and one half (1 ½) times the principal sum for each full calendar month of delinquency, computed as simple interest. No interest shall be charged upon any account until payment is thirty (30) days overdue but such interest, when assessed thereafter, shall be computed from the due date.
- E. AUDIT. Authority shall have the right during each lease year to authorize an audit of Concessionaire's records pertaining to its operation on the Airport. Such audits shall be undertaken by the Authority staff or a firm of certified public accountants, satisfactory to Authority during Concessionaires normal business hours. The cost of such audit shall be paid by Authority, unless the results of such audit reveal a discrepancy of more than two (2%) percent between the gross receipts reported in accordance with this Article and the gross receipts as determined by audit for any fiscal year or pro rata fiscal year reported. In case of such discrepancy, the full cost of the audit shall be paid by Concessionaire. Any

additional auditing expense resulting from Concessionaire's inability or refusal to provide records as required by the auditor shall be paid by Concessionaire. Concessionaire shall promptly pay to the Authority the full amount of fees due based on the results of the audit if a discrepancy exists with interest at the then prevailing interest rate in St. Joseph County, Indiana charged by the largest financial institution within St. Joseph County, within 10 days after written notice by the Authority.

ARTICLE IV

PRIVILEGES

During the term of this Agreement, Concessionaire shall have the following rights and privileges, subject to rules, regulations and ordinances of the Authority in effect from time to time:

A. PRIVILEGES OF CONCESSIONAIRE.

1. Operation of Car Rental Concession. Concessionaire shall have the nonexclusive right to operate a car rental concession at the South Bend International Airport.
2. Ingress and Egress. Concessionaire shall have the right of ingress and egress from the Leased Premises over and across public and common areas serving the Airport for Concessionaire, its agents and servants, patrons and invitees, suppliers of service and furnishers of material.
3. Use of Terminal Building. Concessionaire shall have the exclusive use of the space provided for the Concessionaire in the Terminal Building and shall have the right to the use and enjoyment in common with others of all public premises.
4. Use of QTA. Concessionaire shall have the exclusive right of use of the space provided for the Concessionaire in the QTA and shall have the right to use and enjoyment in others of all the non-exclusive space in the QTA.
5. Advertising Signs. With written Authority approval Concessionaire shall have the right to install, operate and maintain at the Concessionaire's own expense advertising signs within the Leased Premises; no signs shall be permanently affixed to the counter space. Concessionaire shall have no right to install such signs outside of the Leased Premises. Further, the Concessionaire shall be prohibited from advertising any and all of its rates and services outside of the Leased Premises in the terminal building without a separate written agreement. All signs shall be subject to the approval which shall not be unreasonably withheld. All signs installed or to be installed by Concessionaire shall comply with the Authority's ordinances pertaining to signs.
6. Sale of Surplus Vehicles. Concessionaire shall not be allowed to sell surplus vehicles on Airport Property.
7. Ready/Return Lot. Concessionaire shall have the exclusive use of designated parking spaces in the Ready Lot. The Ready Lot currently has 486 parking spaces. Concessionaire shall be allocated 25 guaranteed parking spaces and any remaining spaces shall be allocated based on the MAG for the first lease year and reported gross revenue for lease years 2-5. Only vehicles licensed to concessionaire shall be allowed to park in the ready lot. Concessionaire shall not sublease any spots for non-authorized uses. Vehicles parked in the ready lot may only be rented from the Airport and shall not be rented from any other concessionaire location. Vehicles must be parked in legal

parking spaces, vehicles not parked in legal parking spaces shall be subject to ticketing and towing.

- B. PROHIBITED USES. The Concessionaire shall not use or permit the use of the Leased Premises or any part thereof for any purpose or purposes other than those set forth above. Concessionaire shall not commit or suffer to be committed any waste in or upon the Leased Premises or maintain any public or private nuisance or any other action which may interfere with or disturb the quiet enjoyment of any other tenant of the Authority or buildings of which the Leased Premises forms a part nor, without limiting the generality of the foregoing, shall the Concessionaire use or permit the use of the Leased Premises for any improper, immoral or unlawful purpose. Due to limited electrical capacity in the terminal building no small appliances including but not limited to toaster ovens, refrigerators, coffee pots, or space heaters shall be allowed in the terminal lease space without the express permission of the CEO/Executive Director.

ARTICLE V

OBLIGATIONS OF CONCESSIONAIRE

Concessionaire shall honor the following obligations:

- A. HOURS OF OPERATIONS. Concessionaire shall provide car rental service hours 30 minutes prior to the first arrival until 1 hour after the last arrival daily including delays up to two (2) hours for any customer who has reserved a vehicle in advance. If Airline operations are delayed beyond normal business hours Concessionaire shall make every effort to ensure customers are reasonably accommodated. Should Concessionaire fail to be open during the required times a charge of one hundred (\$100.00) dollars per hour the Concessionaire is not open when it is required shall be assessed.
- B. BRAND/TRADE NAME. Concessionaire will only operate under the brand or trade name(s)_____. The number of brand names is limited to two (2) per agreement. The brand and trade name(s) must be 100% owned or controlled by the Concessionaire or be licensed for its use. Approval of any changes to a Concessionaire's brand or trade name during the term of the Agreement will be made solely at the discretion of the CEO/Executive Director.
- C. REPAIR, MAINTENANCE, AND OPERATION BY CONCESSIONAIRE. Concessionaire shall maintain all leased premises including but not limited to
1. Terminal
 - a. Janitorial Services
 - b. Disposal of all debris and waste material in the proper location
 - c. All maintenance on Concessionaire constructed structures and equipment
 2. QTA
 - a. Janitorial Services in all exclusive lease space
 - b. Disposal of all debris and waste materials in the proper location
 - c. All maintenance on Concessionaire constructed structures and equipment
 - d. Store flammable materials in accordance with all applicable regulations
 - e. Use QTA for only for vehicle fueling, washing, cleaning, fluid replenishment, vacuuming, storage and related activities as necessary for preparing its vehicles

for rental from the airport location pursuant to this Agreement. Concessionaire shall not utilize the QTA for heavy or extensive maintenance or for storage of damaged vehicles. Concessionaire shall not service any vehicles from off airport rental car locations or other rental car branches of the Concessionaire. All work must be completed by Concessionaire employees only and no third-party operators shall be allowed and must be completed inside concessionaire's designated bays.

- f. All lift maintenance and repair, including but not limited to a yearly inspection. All inspection paperwork must be submitted to the Authority yearly.
- 3. Ready/Return Lot
 - a. All signage identifying each parking spot assigned to concessionaire
- 4. Security.
 - a. Concessionaire shall be responsible to secure all leased spaces during non-business hours.

The Authority shall be the sole judge of the due repairs and maintenance undertaken by the Concessionaire, and may upon notice, require specific repair or maintenance work to be completed. If such repair or maintenance is not completed within a reasonable time period, the Authority shall have the right to perform such due repairs or maintenance, and Concessionaire shall reimburse Authority for the cost of such repairs or maintenance, and Concessionaire shall reimburse Authority for the cost of such repairs or maintenance plus a fifteen (15%) percent administrative fee.

Concessionaire agrees that upon the expiration of the term of this Agreement or sooner termination thereof, the Leased Premises shall be delivered to Authority in as good condition as when received, reasonable wear and tear excepted. Authority reserves the right to make periodic inspections of the Leased Premises and improvements during normal business hours.

If due to negligent or willful act by the Concessionaire, its agents, servants, invitees or customers, there is a need for maintenance or repair of damage, then Concessionaire shall do such maintenance or repair in a prompt, reasonable manner as determined by the Authority with written notification to the concessionaire. If such repair or maintenance is not completed within a reasonable time period, the Authority shall have the right to perform such due repairs or maintenance, and Concessionaire shall reimburse Authority for the cost of such repairs or maintenance, and Concessionaire shall reimburse Authority for the cost of such repairs or maintenance plus a fifteen (15%) percent administrative fee.

- D. CONSTRUCTION, ALTERATIONS, AND REPAIRS. Concessionaire shall not erect any structures, make any improvements or modifications or undertake any construction on the Leased Premises, nor alter modify or make additions, improvements or repairs to or replacement of any structure existing or built, or install any fixtures (other than trade fixtures removable without permanent injury to the leased premises) without written approval of the Authority. Development and construction must be approved by the CEO/Executive Director in advance and shall be consistent with all guiding and regulatory documents including but not limited to in the Airport Master Plan, the Authority Development Standards, all NFPA standards and any security

requirements in effect from time to time. Prior to commencement of any improvements or modifications to the Leased Premises, the Concessionaire shall submit a written application consistent with the Authority's Building Permit, which shall be supported by a comprehensive plan package to the CEO/Executive Director. The plans for the proposed improvements or modifications to the Leased Premises shall completely describe the function and design, and shall contain but not limited to the following:

1. A graphic presentation of the improvements showing exact locations
2. Request for approval of above
3. A schedule for completion of each phase of the improvements.

Upon approval, and issuance of a building permit, the Concessionaire shall proceed with the construction, with reasonable diligence and at its sole cost and expense. The construction shall be completed according to the project schedule. In the event of default of the Concessionaire during the design or construction period of any construction or design contract for improvements, the Authority shall have the option, which shall be set forth in all contracts between the Concessionaire and independent contractors and suppliers, to replace the Concessionaire with itself and to continue the contracts of the Concessionaire with the independent contractors and suppliers for work or materials for improvement or to require the Concessionaire to restore the leased premises to the previous condition, such restoration to be performed in a timely manner.

Where such alterations or construction have been made, Concessionaire shall, within thirty (30) days following completion of the alterations or construction, present to Authority to complete set of as-built drawings including, without limitation, plumbing and electrical systems, in a digital format acceptable to the Authority. Concessionaire shall cause any contractor or subcontractor it hires to complete the improvements to obtain a surety bond for the benefit of the Authority in an amount equal to the total cost of the work being contracted for with the contractor in connection with the improvements. Each surety bond will be issued by a surety company qualified to do business in the State of Indiana and reasonably acceptable and satisfactory to the Authority and shall be maintained and kept in full force and effect prior to the commencement of work and ending no sooner than ninety (90) days after the scheduled completion of the applicable improvements, unless released sooner by Authority.

Notwithstanding the foregoing provision, Concessionaire is not required to obtain surety bonds from contractors hired by Concessionaire to perform work when the quoted cost of the contracted project is less than \$25,000.

- E. NO LIEN ARTICLE. Concessionaire shall keep the Leased Premises free from all liens, including, but not limited to mechanic's liens arising from any alteration or construction work performed or labor or materials supplied to the Leased Premises. Any construction work on the Leased Premises authorized by the Concessionaire shall be performed pursuant to a "no-lien" contract and Concessionaire shall make certain that the Indiana Statutes relating to the "no-lien" contracts are complied with in every particular. If any mechanics, laborers or materialman's lien shall at any time be filed against the Leased Premises or any part thereof, which lien is not the result of Authority's actions, Concessionaire shall cause same to be discharged either of record, by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Concessionaire fails to cause such lien to be discharged by payment or through appropriate

bond within thirty (30) days, then such failure shall be deemed a default in the performance of this Agreement. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of the Authority, express or implied by interference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair the Leased Premises or any part of the Leased Premises.

- F. TRASH, GARBAGE, ETC. Concessionaire shall maintain the Leased Premises including all improvements, at all times in a safe, neat and slightly condition and shall not permit the accumulation of any trash, ashes or debris on the Leased Premises. Concessionaire shall use suitable covered metal receptacles located in an area designated by Authority for all such garbage, trash or other refuse. Piling of boxes, cartons, barrels or other similar items in an unsightly matter on or about the Leased Premises shall not be permitted.
- G. NONDISCRIMINATION. The Concessionaire for itself, its personal representative, successors in interest, as assigns, as a part of hereof, does hereby covenant and agree that (1) no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, creed, color national origin, sex, age or handicap shall be excluded from participation in, denied the benefits or otherwise be subjected to discrimination, (3) that the Concessionaire shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49 Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary Part 21, Non-Discrimination 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. The Concessionaire agrees to furnish service on a fair, equal, and unjustly discriminatory prices for each unit or service, provided that the Concessionaire may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.
- H. INDEMNITY AND INSURANCE BY CONCESSIONAIRE. As a condition for the granting of this Agreement and to the fullest extent permitted by law, Concessionaire agrees to indemnify, defend and hold harmless the Authority and the Authority's officers, directors, employees, servants, guests, invitees, affiliates, heirs, executors, assigns, agents, contractors, or subcontractors from any and all claims, suits, judgements, liabilities adverse conditions and/or situations of any kind assessed, claimed suffered by or otherwise asserted against the Authority, and/or the Authority's officers, directors, employees, servants, guests, invitees, affiliates, heirs, executors assigns, agents contractors, or subcontractors arising out of, but not limited to, bodily injury, personal injury, loss of use, devaluation of property or property damage to any person or property. Concessionaire further agrees to pay all related costs and attorney fees incurred by the Authority in the investigation and defense of any claim or allegation for which the Concessionaire is or may be wholly or partially liable, responsible or otherwise involved or implicated.

Any such damage or injury may be incident to, arise out of, or caused, either proximately or remotely, wholly or in part by an act, omission, negligence, or misconduct of the Concessionaire

or any of its officers, directors, employees, servants, guests, invitees, affiliates, heirs, executors, assigns, agents, contractors, or subcontractors or of any other person entering upon the leased premises under or with the express or implied invitation or permission of Concessionaire or when any such injury or damage is the result, proximate or remote of the violation of Concessionaire or any of its officers, directors, employees, servants, guests, invitees, affiliates, heirs, executors, assigns, agents, contractors, or subcontractors of any law, ordinance or governmental order or when any such injury or damage may in any other way arise from or out of the repair or maintenance of the premises, possession, occupancy or use of the leased premises including, but not limited to products sold or operations performed on or from the premises by the Concessionaire, officers, directors, employees, servants, guests, invitees, affiliates, heirs, executors, assigns, agents, contractors, or subcontractors of the leased premises.

Concessionaire further agrees to waive any and all rights of subrogation against the Authority for bodily injury or personal injury to persons and for any damage to Concessionaire's property or property of others in the care, custody or control of the Concessionaire.

For the purpose of this Agreement, Concessionaire will procure and maintain at all times, Commercial General Liability and Property Damage including Automobile liability insurance (or equivalent) similar or equal to ISO Form CG 00 01 with a General Aggregate (other than Products-Completed Operations) of no less than \$2,000,000.00; Products and Completed Operations Aggregate of no less than \$2,000,000.00; per Occurrence Limit of no less than \$5,000,000.00; Personal and Advertising Limit of no less than \$2,000,000.00; Fire Damage Legal Liability Limit of no less than \$100,000.00; (any one fire) and Premises Medical Limit (any one person) of \$10,000.00. Concessionaire will add Authority as an Additional Insured under ISO Form CG 11 "Additional Insured-Managers or Landlords or Premises" or equivalent.

Concessionaire will procure and maintain at all times Worker's Compensation Insurance covering their employees, if any, and all uninsured subcontractors. This Worker's Compensation Insurance is a requirement of this Lease irrespective of State Law regarding minimum employments. Such insurance shall provide a waiver of subrogation to Authority.

Concessionaire will procure and maintain Automobile Liability and Physical Damage insurance in an amount of not less than \$2,000,000 each occurrence. Such insurance that include the Authority as an Additional Insured and it shall provide a Waiver of Subrogation to the Authority.

The above coverages are to be written on the broadest liability form possible including but not limited to blanket contractual independent contractors and aviation non-ownership. The above-described dollar amounts of insurance coverage shall be reviewed on a periodic basis and modified, if necessary, based upon escalating costs and limits for the uses as provided in this Lease as compared to similar airports.

All of the above-described policies of insurance shall be issued by a company that is acceptable to the Authority and is qualified to do business in the State of Indiana. All of the above-

described policies shall provide that the policy or policies cannot be cancelled or materially modified except with sixty (60) days' advance written notice by registered or certified mail to Authority. Such insurance must provide that it will be considered primary insurance as respects any other valid and collective insurance, or self-insured retention, or deductible the Authority may possess. Any other insurance or self-insurance retention of the Authority shall be considered excess insurance only.

Concessionaire shall provide Authority on or before the beginning of this Agreement a certificate of Liability Insurance equal to Accord Form #25S evidencing the placement of all coverages and extensions of coverages as outlined above. In addition, Concessionaire agrees to provide to the Authority certified copies of all insurance policies if requested by the Authority. Concessionaire agrees that all of the above-described insurance policies shall contain a severability of insurance or cross-liability provision endorsement which shall read generally as follows: "In the event one of the insureds incurring liability to any other of the assureds, this policy shall cover the assured against whom claim is or may be made in the same manner as if separate policies have been issued to each assured. Nothing contained herein shall operate to increase the limits of liability."

I. ENVIRONMENTAL

1. "Hazardous Substances" shall mean any hazardous substance as defined at 42 U.S.C. 9601 (14), any regulated substance as defined at 42 U.S.C. 6991 (2) asbestos and PCB's.
2. "Transportation Laws" shall mean any and all federal statutes and regulations governing the transportation of hazardous materials by truck, rail, water or air, including but not limited to 49 U.S.C. 5101 et seq.
3. Concessionaire shall not cause, suffer or allow a release (as defined at 42 U.S.C. 9601 (22)) of a hazardous substance to occur at the leased premises.
4. Concessionaire shall not cause, suffer or allow a hazardous substance to enter upon or be present at the Leased Premises unless such presence is incident to the transportation of such substance in intrastate or interstate commerce and such transportation and all acts incident there to (e.g. packaging, labeling, placarding) are in compliance with all applicable transportation laws. The prohibition in this paragraph shall not apply to hazardous substances containing hazardous substances, which are used in the normal course of business as office or janitorial supplies.
5. Concessionaire shall operate the Leased Premises in full compliance with all federal, state, and local applicable environmental statutes, rules, regulations and ordinances and with all applicable transportation laws. Concessionaire shall not, without prior written consent of the Authority, install any underground storage tank at, introduce fill material to, or make any improvements to the Leased Premises.
6. In the event of a release of a hazardous substance at the Leased Premises, Concessionaire shall promptly institute and diligently complete all necessary and appropriate actions whether on or off the Leased Premises to abate and fully remediate such release. Concessionaire shall be solely responsible for any notification

requirements under federal, state or local law. Concessionaire's remedial actions shall be those necessary to return the Leased Premises to its condition, as nearly as possible, which existed prior to the release. Should Concessionaire fail to perform its responsibilities under this paragraph, Authority may do so in Concessionaire's stead, the costs of which shall be paid by Concessionaire plus a fifteen (15%) percent administrative fee.

7. Concessionaire agrees to indemnify, defend and hold harmless Authority, its directors, officers, employees, agents and each of their successors and assigns from and against all claims, actions, penalties, costs, liabilities losses and expenses (including reasonable attorney's and expert witness fees) arising at any time during or after the term resulting or allegedly resulting from the release of a hazardous substance at the Leased Premises during the term, or the handling of any hazardous substance incident to its transportation in commerce.
8. Authority represents that, to the best of its knowledge: there are no hazardous substances at, in, on or under the Leased Premises in a condition or concentration which would represent a threat to groundwater or otherwise require remediation under any federal, state, or local statute, rule, regulation or ordinance; the Leased Premises are in compliance with all applicable environmental law; and, there are no asbestos containing materials, PCBs or underground storage tanks at the Leased Premises.
9. Authority agrees to indemnify, hold harmless and defend Concessionaire, its partners, directors, officers, employees, shareholders, agents, contractors and each of their respective successors and assigns from and against all claims, actions, penalties, costs, liabilities, losses and expenses (including reasonable attorney's and expert witness fees) arising at any time during or after the term resulting or allegedly resulting from the presence of any hazardous substance, asbestos-containing material, PCB or underground storage tank existing as of the date of first occupancy by Concessionaire.
- J. COMPLIANCE WITH LAWS, RULES AND REGULATIONS. Concessionaire shall, at its sole expense, observe and comply with statutes, rules and regulations of all governmental authorities applicable to the conduct of Concessionaire's business and in addition, those rules, ordinances, and regulations of the Authority not inconsistent with the provisions of this Agreement. Any penalties and costs levied as a result of the Concessionaire's breach of any of the above shall be borne by the Concessionaire.
- K. SURETY BOND. Concessionaire, at the time of the execution of this Agreement, shall furnish Authority a surety bond in an amount of \$_____ issued by a surety company qualified to do business in the State of Indiana and acceptable and satisfactory to the Authority, which surety bond shall be maintained and kept by Concessionaire in full force and effect during the entire term of this Lease Agreement. The bond shall be conditioned to insure the faithful and full performance by the Concessionaire of all the covenants, terms and conditions of the Lease Agreement and to stand as security for the payment by the Concessionaire of any valid claim by the Authority against the Concessionaire.
- L. CONTINUOUS OPERATION. Concessionaire shall maintain an operating business at all times on the Leased Premises for the use set forth in this Agreement.

- M. CONFLICT OF INTEREST. Concessionaire shall not accept any contracts that may represent a conflict of interest with the Authority. In the event of a potential conflict of interest, the Concessionaire will disclose such potential conflict and will not undertake the aspect of the representation without first obtaining a written waiver or authorization from the Authority.
- N. CONFIDENTIALITY. The Concessionaire pledges that any information supplied by the Authority will not be disclosed publicly, or to any private entity or individual without prior Authority approval. Concessionaire attests that he/she is familiar with and will comply with the standards for access, dissemination, handling and safeguarding of sensitive security information (SSI) in accordance with 49 CFR 1520, "Protection of Sensitive Security Information," as amended, and any supplementary guidance by the Department of Homeland Security. Concessionaire will not disclose or release any such information provided by virtue of this Agreement to third parties without proper authority.
- O. CONDUCT OF BUSINESS. The Concessionaire agrees to conduct business on behalf of the Authority in a professional business manner in full compliance with applicable Federal, State and local laws, and Airport rules and regulations. Violations of the law or regulations, as well as situations that reflect negatively on the reputation of the Authority shall be considered an event of default in accordance with above.
- P. AIRPORT CONCESSIONAIRE DISADVANTAGED BUSINESS ENTERPRISE. In accordance with Regulations 49 CFR 23, the Authority has implemented an Airport Concessionaire Disadvantaged Business Enterprise ("ACDBE"), which applies to this Agreement. An ACDBE goal of 3.4%, as measured by the total estimated annual gross receipts has been established for Agreements. This goal may be adjusted from time to time per Federal Aviation Regulations.
- ACDBE participation may be in the form of subleases, joint ventures, partnerships, purchase of goods, services, and products necessary for the conduct of its business and operations at the Airport. Lessee will be required to submit to the Authority yearly their ACDBE Accomplishments. If Lessee will be unable to achieve the ACDBE Goal stated herein, they will be required to provide documentation to the Authority's ACDBE Liaison Officer demonstrating that Lessee took all necessary and reasonable steps to do so.
- Q. Concessionaire shall be responsible for selecting, hiring, employing, supervising, training and discharging its personnel as needed. Concessionaire employees shall be required to obtain an airport identification card.

ARTICLE VI

OBLIGATIONS OF AUTHORITY

- A. OPERATION AS A PUBLIC AIRPORT. Authority covenants and agrees that at all times it will operate and maintain the Airport as a public airport consistent with and pursuant to the Sponsor's Assurances given by Authority to the United States Government under the Federal Airport Act.
- B. ENTRY AND INSPECTION. Authority shall have the right to enter upon and inspect the Leased Premises at any reasonable time during the term hereof for any purpose necessary, incidental to or connected with the performance of its obligations hereunder or in the exercise of its governmental functions and, upon reasonable notice to Concessionaire, to make any repairs,

additions or alterations deemed necessary by the Authority without abatement of rent; provided; however, the Authority shall not, during the course of any such inspection or repairs, unreasonably interfere with the Concessionaire's use and enjoyment of the Leased Premises.

- C. SERVICES FURNISHED PROVIDED BY AUTHORITY. The Authority, without expense to Concessionaire, agrees to furnish heat and electricity to the Leased Premises. Authority shall furnish light bulbs, except for special lighting fixtures installed by Concessionaire, for the Leased Premises which is occupied by the Concessionaire and shall without expense to Concessionaire. Authority assumes no liability to Concessionaire for failures or interruptions of any and all services or utilities furnished to the Concessionaire hereunder.
- a. Terminal The Authority, agrees to furnish
 - i. Authority shall furnish light bulbs, except for special lighting fixtures installed by Concessionaire
 - ii. Roof
 - iii. Windows
 - iv. Common area restrooms
 - v. Drain cleaning and repair

 - b. QTA-The Authority agrees to furnish
 - i. a working car wash
 - ii. Common area restroom
 - iii. Janitorial services for common areas
 - iv. Pavement Repairs
 - v. Fueling Facilities
 - vi. Snow Removal
 - vii. Roof
 - viii. Windows
 - ix. Drain cleaning and repair
 - x. Water
 - xi. Lighting

 - c. Ready/Return Lot
 - i. Pavement Repair
 - ii. Painting
 - iii. Snow Removal
 - iv. Directional Signage
 - v. Parking Spot Sign Poles
 - vi. Lighting
- D. REPAIRS BY AUTHORITY. Authority will keep the leased premises in good repair. In no event, however, shall Authority be required to maintain or repair damage caused by the negligent or willful act of Concessionaire, its agents, servants, invitees or customers. However, if Concessionaire, its agents, servants, invitees, or customers, do damage Authority property, the Concessionaire will promptly repair such damage at its sole expense. If such repair or maintenance is not completed within a reasonable time period, the Authority shall have the right to perform such due repairs or maintenance, and concessionaire shall reimburse Authority

for the cost of such repairs or maintenance, and Concessionaire shall reimburse Authority for the cost of such repairs or maintenance plus fifteen (15%) percent administrative fee.

- E. RELOCATION. The Authority reserves the right from time to time at its sole discretion and if reasonably possible upon not less than sixty days' notice to concessionaire to change the location or configuration of the Leased Premises. In the event the Authority chooses to make such relocation or configuration, the reasonable cost as determined by the Authority shall be paid by the Authority and Concessionaire's Leasehold improvements in the former space shall be amortized and Concessionaire shall be reimbursed or credited the then net book value of the leasehold improvements in the former space. If the Authority does decide to relocate or reconfigure any or all of the Leased Premises, the Authority will make every effort to ensure that the relocation or reconfiguration will be to a comparable location. Any such relocation or modification in any manner at any time shall be without liability to Authority by reason of interference, inconvenience or annoyance to Concessionaire; provided, however, that all such work shall be done in such manner as to cause the least possible interference, inconvenience and annoyance to Concessionaire.
- F. AGREEMENT WITH OTHER CAR RENTAL CONCESSIONAIRES. The Authority will not enter into any lease, contract or agreement with any other car rental concessionaire operating at the Airport unless the lease, contract or agreement shall require automobile rental services substantially equivalent to those available from all automobile rental concessionaires operating at the Airport, and in no event shall such requirements be less stringent than those required of automobile rental concessionaires, currently operating at the Airport, and in no event shall the percentage of gross receipts be less than the percent required of Concessionaire herein; provided however in the event Authority permits more than a four rent-a-car concessionaires to operate at the Airport, then the parties shall by mutual agreement reduce the minimum annual guarantee provided for in this lease. Nothing shall prevent the Authority from making such reasonable distinctions between the automobile rental concessionaires with respect to the assignment, location, or allocation of rental counter space and parking areas as may in the sole discretion of the Authority be determined by reviewing the differing operational requirements of the respective rental car concessionaires including, but not limited to the differing amounts of Airport automobile rental business done.
- G. FIXED BASE OPERATOR/GENERAL AVIATION. Any car rental concessionaire operating at a portion of the airport including but not limited to a portion of the airport devoted to general aviation must have an Automobile Rental Concession Agreement with the Authority. Any vehicle rented shall be subject to all provisions of this lease agreement and shall be included on all monthly reporting.

ARTICLE VII

DAMAGE OR DESTRUCTION OF PREMISES

If the Leased Premises shall be partially damaged by fire, flood, lightning, windstorm, other force of the elements, by the public enemy or from any cause not brought about by the Concessionaire so as to adversely affect the Concessionaire's use of its exclusive space therein, even though not rendering such space untenable, such damage shall be promptly repaired with due diligence by the Authority at its own cost and expense. If damage caused shall be extensive as to render the Concessionaire's exclusive space untenable, but nevertheless capable of being repaired and made tenable within a

period of sixty (60) days, the Authority shall repair the damage with due diligence at its own cost and expense, and the rent payable shall be proportionately paid up to the time of such damage, but shall thenceforth cease until such time as such building and space shall be restored. In case the Leased Premises are completely destroyed or so damaged that it will and does remain untenable for a period of more than sixty (60) days, either party shall have the right to terminate this Lease upon written notice to the other within sixty (60) days from the date of such damage or destruction. Nothing in this Article shall apply to damages to the Leased Premises caused by the acts of the Concessionaire, and Concessionaire shall, at its own cost and expense, promptly repair with due diligence all such damages resulting from its act of said character, without any rent abatement. Authority shall not be obligated to expend more on repair or restoration than the amount of any insurance proceeds received by the Authority.

ARTICLE VIII

TERMINATION OF AGREEMENT, ASSIGNMENT AND TRANSFERS

- A. TERMINATION. This Agreement shall terminate without action by either party at the end of the initial term or any renewal term.
- B. TERMINATION BY CONCESSIONAIRE. Concessionaire may terminate this Agreement after the happening of one or more of the following events:
 - 1. The permanent abandonment of the Airport
 - 2. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as substantially to restrict Concessionaire for a period of at least ninety (90) days from operating thereon
 - 3. The default by Authority in the performance of any covenant or agreement herein required to be performed by Authority and the failure of Authority to remedy such default for a period of sixty (60) days after receipt from Concessionaire of written notice to remedy the same.
 - 4. In the event of the happening of the events listed in Article VIII B1 or VIII B2, all fees shall abate retroactive to the effective date.
- C. EXERCISING CONCESSIONAIRE'S RIGHTS OF TERMINATION. Concessionaire may exercise such right of termination by written notice to Authority at any time after the occurrence of any such events and the Agreement shall terminate as of the date notice is received by the Authority.
- D. TERMINATION BY AUTHORITY. Authority may terminate this Agreement in the event Concessionaire shall:
 - 1. Be in arrears in the payment of the whole or any part of the rent or other payments required for a period of fifteen (15) days after the time such payments become due and written notice given to Concessionaire
 - 2. Make a general assignment for the benefit of creditors
 - 3. Filing a voluntary or involuntary petition in bankruptcy
 - 4. Abandon the Leased Premises
 - 5. Default in the performance of any of the covenants, agreements and conditions required herein (except rental payments) to be kept and performed by Concessionaire, and such default continues for a period of thirty (30) days after receipt of written notice from Authority of said default

6. Appointment of Receiver for Concessionaire
 7. Violation of Authority rules and regulations not inconsistent with the provisions of this lease and such default continues for a period of thirty (30) days after receipt of written notice from Authority of said default
 8. Authority shall have the right to terminate this Lease without liability because of Airport needs, improvements or development work on any part or the whole of the Leased Premises. Written notice of termination will be provided by the Authority to the Lessee no less than ninety (90) days prior to termination
- E. EXERCISING AUTHORITY'S RIGHT OF TERMINATION. The Authority may exercise such rights of termination by written notice, as per Article VIII D., to the Concessionaire and this Agreement shall terminate as of thirty days from receipt of written notice if default continues. Authority shall have the right to collect such damages as may be permitted by law arising out of such termination. Failure of Authority to declare this Agreement terminated upon default of Concessionaire for any reasons set out above shall not operate to waive the right of Authority to terminate this Agreement by reason of any subsequent violation of terms.
- F. WAIVER OF STATUTORY NOTICE TO QUIT. In the event Authority exercises its option to terminate this Agreement upon the happening of any of the events set forth in Section D of this Article (Termination by Authority), a notice of termination shall be sufficient to terminate this Agreement; and, upon such termination, Concessionaire agrees that it will forthwith surrender up possession of the Leased Premises to Authority. Concessionaire expressly waives the receipt of any notice to quit or notice of termination which would otherwise be given by Authority.
- G. SUBLETTING AND ASSIGNMENT. Concessionaire may not assign, sublet, transfer, sell, rent or sublease any of the rights granted by this Agreement for the Leased Premises without the prior written consent of the Authority, which consent shall not be reasonably withheld. As indicated above, Concessionaire may, with the prior written consent of Authority, assign this Agreement, but in such event, Concessionaire shall remain liable to Authority for the remainder of the term of the Agreement to pay to Authority any portion of the rental and fees not paid by the Assignee when due. The assignee shall not assign the Agreement except with the prior written consent of the Authority, and any assignment by the Concessionaire shall contain a provision to this effect. Further, any assignee of the lease shall be bound by the terms and conditions of this Agreement.
- H. SUSPENSION OF LEASE. During the time of war or national emergency, Authority shall have the right to lease the landing area, terminal building and/or other Airport premises or any part thereof to the United States Government for military use. If any such Lease is executed, any provisions of this Lease may be suspended, provided that the term of this Lease shall be extended by the amount of period suspension.

ARTICLE IX

RIGHTS UPON TERMINATION

- A. LEASED PREMISES. It is the intent of this Agreement that the Leased Premises shall be and remain the property of the Authority during the entire term of this Agreement and thereafter.
- B. REMOVAL OF PERSONAL PROPERTY. At the termination of this Agreement for any reason, after payment of all fees and charges. Concessionaire shall have the right within thirty (30) days thereafter, to remove any of its furniture, machinery, supplies, equipment and signs installed on the Leased Premises by Concessionaire but shall repair at its own expenses all damage caused by such

removal. On termination of this Agreement, from whatever cause, the Authority shall have the right, upon thirty (30) days' notice, to require the Concessionaire at the Concessionaire's own expense to remove any of its fixtures, structures, additions and improvement, as well as all furniture, machinery, equipment and signs installed on the Leased Premises and the Concessionaire shall repair at the Concessionaire's own expense all damage to the Leased Premises caused by such removal. Any such personal property not removed by Concessionaire within such time shall become the property of the Authority.

C. LANDLORD LIEN. If the Concessionaire has not fully paid all the fees and charges pursuant to this Agreement, then the Authority shall be entitled to a landlord lien for the purpose of securing the payment of all fees and charges. Authority shall have the right to liquidation of such personal property to satisfy any obligations of the Concessionaire and the costs incurred to perfect this landlord lien. Any excess funds from this liquidation shall be turned over to the Concessionaire. The Authority will not claim or have a lien of any kind, be it contractual or statutory, on or against Concessionaire's motor vehicles for non-payment of any rent or fees due under the Agreement, or for any default of Concessionaire or any other reason, and the Authority hereby waives all such liens available to the Authority. However, judgement liens will not be precluded.

ARTICLE X

GENERAL PROVISIONS

- A. AUTHORITY RESERVED RIGHTS. Authority at its sole discretion reserves the right to further develop or improve the Airport as it sees fit and to take any action it considers necessary. However, any such act shall not adversely interfere or disrupt the business of the Concessionaire on a continuing basis. This Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the United States, relative to the operation or maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to Authority for federal funds for the development of the Airport.
- B. NON-INTERFERENCE WITH OPERATION OF AIRPORT. Concessionaire by accepting this Agreement expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the operation of the Airport or otherwise constitute a hazard. In the event this covenant is breached, the Authority reserves the right to enter upon the Leased Premises and cause the abatement of such interference at the expense of Concessionaire.
- C. NON-EXCLUSIVE RIGHT. It is understood and agreed that nothing contained in this Agreement shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958, or as amended from time to time, which by this reference is made a part of this Lease Agreement.
- D. ATTORNEY'S FEES. If action is brought to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees.
- E. TAXES, LICENSES AND PERMITS. Concessionaire shall pay all personal property taxes which may be assessed against equipment, merchandise or other personal property belonging to the Concessionaire located on the Leased Premises, or other permitted portions of the Airport. In the event any real estate taxes are assessed against the land or improvements on the Leased Premises during the term of this Agreement, such taxes shall be paid by Concessionaire.

Concessionaire shall obtain and pay for all licenses, permits, fees, or other authorization or charges as required under federal, state or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

- F. CREDIT CARD SECURITY. Concessionaire, in its efforts to comply with the requirements applicable to its customers under the Payment Card Industry Security Standard, shall under no circumstances be required to use any network other than its own private network, to ensure that its customers' credit card information not be compromised.
- G. PARAGRAPH HEADINGS. The paragraph headings are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.
- H. NOTICE. Whenever any notice is required by this Agreement to be made, given or transmitted to the parties, such notice shall be served by Certified or Registered Mail with return receipt, address to:

CEO/ Executive Director
St. Joseph County Airport Authority
4477 Progress Drive
South Bend, IN 46628

And notices, consents and approvals to Concessionaire addressed to:

Or to such other addresses as the parties may designate to each other in writing.

- I. INDIANA LAW. This agreement shall be interpreted in accordance with the laws of the State of Indiana.
- J. SUCCESSORS AND ASSIGNS. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the Successors and assigns of the parties.
- K. SPONSORS ASSURANCES AGREEMENTS. This Agreement shall be subordinate and subject to assurances, hereto or hereafter given by the Authority to the Federal Aviation Administration, in respect to and in connection with grants of Federal Aid to the Authority in the improvement of the Airport.
- L. DEFAULT. Lessee may have in existence with the Authority certain other Agreements. Any breach by Lessee of such other Agreements with the Authority constitutes a material breach of this Agreement. There are no representations, covenants, warranties, promises, agreements, conditions or undertakings, oral or written, between Authority and Concessionaire other than set forth in this Agreement. If any provision of this Agreement is determined to be illegal or unenforceable, it shall not affect the enforceability of the remaining provisions of this Agreement.
- M. EMERGENCY CONTACT. Concessionaire shall provide Authority emergency telephone numbers where Authority may reach Concessionaire on a twenty-four (24) hour basis.

The parties now sign this Agreement this _____ day of _____, 20__

ST. JOSEPH COUNTY AIRPORT
AUTHORITY DISTRICT

By: _____

By: _____

Title _____

Title: _____

Printed: _____

Printed: _____

Date: _____

Date: _____

EXHIBIT A, B.C TO BE ADDED UPON COMPLETION OF AGREEMENT

Exhibit C

Proposal Form

To: St. Joseph County Airport Authority

From: _____

Based upon the terms, provisions and conditions of this RFP, the undersigned hereby agrees, the right and privilege of operating a non-exclusive on-airport rental car concession at the South Bend International Airport ("Airport"), in addition to paying the other fees and charges set forth in the concession agreement ("Agreement") to pay to the St. Joseph County Airport Authority ("Authority"), the greater of ten (10%) percent of its gross revenues (as defined in the agreement, which minimum annual guarantee shall be as follows:

Year 1 _____

Year 2 _____

Year 3 _____

Year 4 _____

Year 5 _____

Minimum annual guarantee proposals of less than \$100,000 per year will be considered non-responsive.

The undersigned will be permitted to operate at the Airport using brand/trade names that are 100% owned or licensed to the undersigned. The undersigned intends to operate at the airport using the following brand/trade names that are 100% owned or licensed to the undersigned.

1. _____

2. _____

The undersigned, having carefully examined the work, specifications, proposal, and addenda thereto and other RFP documents for a:

ON-AIRPORT RENTAL CAR CONCESSION AT SOUTH BEND INTERNATIONAL AIRPORT

The respondent, in submitting the foregoing proposal, agrees to comply with all RFP Specification documents.

I acknowledge receipt of Addenda no. (s) _____

Print Name: _____ Title: _____

Mailing address: _____ Telephone: _____

_____ Date: _____

Signed: _____