



# Los Angeles World Airports

January 4, 2008

The Honorable City Council  
of the City of Los Angeles  
City Hall, Room 395  
Los Angeles, CA 90012

**LAX**  
**LA/Ontario**  
**LA/Palmdale**  
**Van Nuys**  
**City of Los Angeles**

Antonio R. Villaraigosa  
Mayor

**Board of Airport  
Commissioners**

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President

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Sylvia Patsouras  
Fernando M. Torres-Gil  
Walter Zifkin

Gina Marie Lindsey  
Executive Director

**Subject:** FIRST AMENDMENT TO ON-AIRPORT AUTOMOBILE RENTAL CONCESSION AGREEMENT WITH THE FOLLOWING: THE HERTZ CORPORATION (LAA-8136); AVIS RENT-A-CAR SYSTEM, INC. (LAA-8137); ALAMO RENTAL (US), INC. (LAA-8138); BUDGET RENT-A-CAR SYSTEM, INC. (LAA-8139); NATIONAL RENTAL (US), INC. (LAA-8140); DTG OPERATIONS, INC. DBA DOLLAR RENT-A-CAR (LAA-8141); ENTERPRISE RENT-A-CAR COMPANY OF LOS ANGELES (LAA-8142); FOX RENT-A-CAR, INC. (LAA-8143); DTG OPERATIONS, INC. DBA THRIFTY CAR RENTAL (LAA-8144); AND COAST LEASING CORPORATION DBA ADVANTAGE RENT-A-CAR (LAA-8145) TO EXTEND THE TERM TO JANUARY 31, 2010 AND ADD CONTRACT PROVISIONS IN ORDER TO ENSURE CONTINUANCE OF ANNUAL CONCESSION REVENUE FOR LOS ANGELES INTERNATIONAL AIRPORT.

In accordance with Section 606 of the City Charter, the Board of Airport Commissioners transmit for your approval First Amendment to On-Airport Automobile Rental Concession Agreement with the following: The Hertz Corporation (LAA-8136); Avis Rent-A-Car System, Inc. (LAA-8137); Alamo Rental (US), Inc. (LAA-8138); Budget Rent-A-Car System, Inc. (LAA-8139); National Rental (US), Inc. (LAA-8140); DTG Operations, Inc. dba Dollar Rent-A-Car (LAA-8141); Enterprise Rent-A-Car Company of Los Angeles (LAA-8142); Fox Rent-A-Car, Inc. (LAA-8143); DTG Operations, Inc. dba Thrifty Car Rental (LAA-8144); and Coast Leasing Corporation dba Advantage Rent-A-Car (LAA-8145).

### RECOMMENDATION FOR CITY COUNCIL

1. APPROVE the First Amendment to specified On-Airport Automobile Rental Concession Agreements.
2. CONCUR with the Board's action authorizing the Executive Director to execute the First Amendment to specified On-Airport Automobile Rental Concession Agreements.
3. FIND that the recommended action is exempt from the requirements of the California Environmental Quality Act as provided by Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.

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TRADE, COMMERCE & TOURISM

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Los Angeles City Council  
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The Board of Airport Commissioners, at their meeting held on December 3, 2007 by Board Order No. AO-5090 approved the First Amendment to specified On-Airport Automobile Rental Concession Agreements, subject to the approval of your Honorable Body are attached.

*MAYOR'S TRANSMITTAL*

Enclosed is the approval by the Mayor and the Office of City Administrative Officer.

*CONCLUSION*

Please return the attached First Amendments to the Department of Airports' Board Office after City Council approval and Certification of that approval.

Two additional copies of the First Amendments are enclosed.

Very truly yours,



Sandra J. Miller – Commission Executive Assistant II  
BOARD OF AIRPORT COMMISSIONERS

cc. Trade, Commerce and Tourism Committee  
Councilmember Hahn, Enc.  
Councilmember Rosendahl, Enc.  
Councilmember LaBonge, Enc.  
CAO (Airport Analyst), Enc.  
CLA (Airport Analyst), Enc.  
City Clerk's Office, Enc. (one original and two copies)

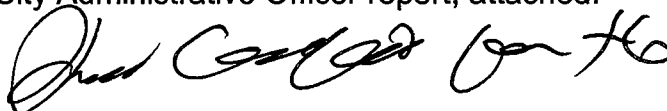
0150-08397-0000

**TRANSMITTAL**

TO Gina Marie Lindsey, Executive Director Department of Airports	DATE <b>DEC 14 2007</b>	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 11	

**Proposed Amendments to Add Provisions and  
Extend the Terms of 10 On-Airport Automobile Rental  
Concession Agreements at Los Angeles International Airport**

Transmitted for further processing, including Council consideration  
See the City Administrative Officer report, attached.



MAYOR

KLS:AVM:10080063t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: **November 29, 2007**

CAO File No. 0150-08397-0000

Council File No.

Council District: 11

To: The Mayor

From: Karen L. Sisson, City Administrative Officer *KLS*

Reference: Transmittal from the Department of Airports dated October 12, 2007; referred by the Mayor for report on October 22, 2007

Subject: **PROPOSED AMENDMENTS TO ADD PROVISIONS AND EXTEND THE TERMS OF 10 ON-AIRPORT AUTOMOBILE RENTAL CONCESSION AGREEMENTS AT LOS ANGELES INTERNATIONAL AIRPORT**

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### SUMMARY

The Executive Director of the Department of Airports (Department) requests authorization to approve and execute 10 Amendments (Amendments) for 10 On-Airport Automobile Rental, or rent-a-car (RAC), Concession Agreements. The Amendments which provide for a two-year term extension, to January 31, 2010, will allow sufficient time to complete the design of a new consolidated rental car facility at the Los Angeles International Airport (LAX). The proposed new provisions also will ensure compliance with contract requirements and institute changes in advertising and operational procedures. Based upon Minimum Annual Guarantees (MAG), revenue of at least \$43 million is expected to be generated from the 10 RAC concessions during this fiscal year. Pursuant to Charter Section 606, Council approval of the proposed Amendments is required because the Agreements exceed five years.

### Background

In November 2002, the Department issued an Invitation for Bids and in January 2003, the Board of Airport Commissioners (BOAC) awarded RAC concession agreements to the ten highest bidders who responded to the Invitation for Bids. The five-year term of these agreements is February 1, 2003 to January 31, 2008. As stated in the BOAC Board Order No. AO-4844, the negotiated on-airport automobile rental concession agreements were made with the following companies.

**Concessionaire, Agreement number**

- Alamo Rent-A-Car, L.L.C., LAA-8138
- Avis Rent A Car System, Inc., LAA-8137
- Budget Rent A Car System, Inc., LAA-8139
- Coast Leasing Corp. (dba Advantage Rent-A-Car), LAA-8145
- DTG Operations, Inc. (dba Dollar Rent A Car), LAA-8141
- DTG Operations, Inc. (dba Thrifty Car Rental), LAA-8144

**Concessionaire, Agreement number**

- Enterprise Rent-A-Car Company of Los Angeles, LAA-8142
- Fox Rent A Car, Inc, LAA-8143  
(dba Fox Rent A Car and Payless Car Rental) --
- National Car Rental System, Inc., LAA-8140
- The Hertz Corporation, LAA-8136

According to Department staff, the term 'on-airport' refers to the concession rights granted to operate courtesy shuttle vehicles in the airport's Central Terminal Area (CTA). However, the actual rental car facilities are on properties outside of the airport.

In March 2007, the BOAC authorized the release of a Request for Proposals (RFP) for complete professional planning and engineering design services for a consolidated rental car (ConRAC) facility at LAX. Department staff reports that ConRAC design documents could be substantially complete by the fall of 2009 which would provide the Department with additional information regarding the cost and feasibility of a new facility. Given this expectation and a revised January 2010 term expiration date, Department staff have an option that, if the ConRAC construction is implemented, a new Request for Bids (RFB) process may be released for RACs to occupy and operate from the new ConRAC. If, however, the ConRAC construction is not implemented, a RFB process could be issued for the current operations. Regardless of whether a ConRAC is built, approval of the proposed Amendments will help ensure the continuous availability of car rental options for people traveling through LAX.

The Department's original request proposed five-year term extensions. Subsequently, the Executive Director authorized the submission of a revised request to propose two-year term extensions; it is the re-submitted request which is the subject of this report.

**Proposed Amendments**

Changes presented in the proposed Amendments will update administrative provisions of the RAC agreements to ensure compliance with current contract requirements. An overview of the primary Amendment changes is listed below.

- Institutes two-year extensions of the 10 Agreements expiration terms to January 31, 2010;
- Deletes the right of RAC operators to utilize counter space in the terminals and arranges new interactive visitors centers access as well as free advertising opportunities for on-airport RACs through negotiations with JCDecaux, a Department advertising concessionaire;
- Reaffirms the Department's ability to limit the use of CTA roadways at LAX by courtesy shuttle buses, including associated financial penalties, and to restrict the size of courtesy shuttle buses as ways to help reduce traffic congestion;
- Establishes an alternative fuel vehicle requirements program that provides for one-half of each operator's existing courtesy shuttle buses fleet to be converted to alternative fuel

vehicles by January 31, 2010;

- Provides a six-month grace period to delay the imposition of penalties if RAC operators fail to attain alternative fuel vehicle requirements program standards as outlined;
- Reduces the amount of required Faithful Performance Guarantee (FPG), security deposit, from one-half to one-fourth of their respective MAG; and,
- Incorporates compliance with new City contract provisions adopted since the original 10 agreements were approved.

Additionally, though not a direct component of the proposed Amendments, the Department and the RAC operators will address a federal program, Airport Concessions Disadvantaged Business Enterprise (ACDBE) program, which was established after the original agreements were awarded. Staff report that the Department's Procurement Services Division decided not to establish specific participation goals under the ACDBE program for these 10 agreements. However, the RAC operators are asked to submit quarterly ACDBE program utilization reports to assist the Department in meeting its overall Disadvantaged Business Enterprise participation goal of approximately 11 percent during this fiscal year.

### **Revenue**

The actual concession fees, or revenue the Department receives from each RAC operator, are based upon either the MAG or 10 percent of the gross receipts, whichever is greater. Each subsequent year, the MAG is recalculated based upon 90 percent of the actual concession fees paid. According to Department information, approximately \$48 million in concession fees were received from February 2006 through January 2007. Department staff anticipates that actual concession fees received for this 2007-08 period will exceed the \$43 million MAG amount because thus far from February 2007 through September 2007, the 10 percent of gross receipts figure already is approximately \$40 million and this does not include October 2007 through January 2008 monies.

### **City Compliance Issues**

Each proposed Amendment has been updated, as necessary, to include all required City contract compliance provisions including First Source Hiring Program, Equal Employment Practices and the Equal Benefits Ordinance. The City Attorney has approved the proposed Amendments as to form. All RAC operators have Business Tax Registration Certificates and approved insurance documents in the required terms and amounts. The concessionaires have submitted documents to comply with the Affirmative Action Program, Certification of Compliance with Child Support Obligations and Ordinance, Contractor Responsibility Pledge and Program and the Living Wage/Service contract Retention Ordinances.

Pursuant to Section 606 of the City Charter, Council approval of the proposed request is required because the proposed terms of the agreements exceed five years. The issuance of leases and renewals, amendments or extensions thereof, granting use of existing facilities at a municipal airport is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18) (c) of the Los Angeles City CEQA Guidelines.

## **RECOMMENDATION**

That the Mayor authorize the Department of Airports request to approve 10 proposed On-Airport Automobile Rental Concession Agreement Amendments to extend each term to January 31, 2010, to update contract provisions and return the request to the Department of Airports for further processing, including Council consideration.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed request will generate at least \$43 million in annual concession fees, based upon the minimum annual guarantee, which will be credited to the Airport Revenue Fund. Since the Department of Airports is bound only by the City Debt Management Policies, the City Financial Policies are not applicable. Approval of the proposed Amendments will have no impact upon the City General Fund.

*KLS:AVM:10080063*



# Los Angeles World Airports

## BOARD ORDER NO. AO-5090

ORDER AUTHORIZING FIRST AMENDMENT TO ON-AIRPORT AUTOMOBILE RENTAL CONCESSION AGREEMENT WITH THE FOLLOWING: THE HERTZ CORPORATION (LAA-8136); AVIS RENT-A-CAR SYSTEM, INC. (LAA-8137); ALAMO RENTAL (US), INC. (LAA-8138); BUDGET RENT-A-CAR SYSTEM, INC. (LAA-8139); NATIONAL RENTAL (US), INC. (LAA-8140); DTG OPERATIONS, INC. DBA DOLLAR RENT-A-CAR (LAA-8141); ENTERPRISE RENT-A-CAR COMPANY OF LOS ANGELES (LAA-8142); FOX RENT-A-CAR, INC. (LAA-8143); DTG OPERATIONS, INC. DBA THRIFTY CAR RENTAL (LAA-8144); AND COAST LEASING CORPORATION DBA ADVANTAGE RENT-A-CAR (LAA-8145) TO EXTEND THE TERM TO JANUARY 31, 2010 AND ADD CONTRACT PROVISIONS IN ORDER TO ENSURE CONTINUANCE OF ANNUAL CONCESSION REVENUE FOR LOS ANGELES INTERNATIONAL AIRPORT.

- LAX
- LA/Ontario
- LA/Palmdale
- Van Nuys

### City of Los Angeles

Antonio R. Villaraigosa  
Mayor

### Board of Airport Commissioners

Alan I. Rothenberg  
President

Meria C. Velasco  
President

Joseph A. Aredas  
Michael A. Lawson  
Sylvia Patsaouras  
Fernando M. Torres-Gil  
Walter Zifkin

Gina Marie Lindsey  
Executive Director

**Section 1.** WHEREAS, there are in existence On-Airport Automobile Rental Concession Agreement with the following: The Hertz Corporation (LAA-8136); Avis Rent-A-Car System, Inc. (LAA-8137); Alamo Rental (US), Inc. (LAA-8138); Budget Rent-A-Car System, Inc. (LAA-8139); National Rental (US), Inc. (LAA-8140); DTG Operations, Inc. dba Dollar Rent-A-Car (LAA-8141); Enterprise Rent-A-Car Company of Los Angeles (LAA-8142); Fox Rent-A-Car, Inc. (LAA-8143); DTG Operations, Inc. dba Thrifty Car Rental (LAA-8144); and Coast Leasing Corporation dba Advantage Rent-A-Car (LAA-8145). The five (5) year Agreements commenced in February 1, 2003, and are set to expire on January 31, 2008; and

WHEREAS, it is the desire of the parties hereto to amend said Concession Agreements by extending the term to January 31, 2010 and adding contract provisions, in order to ensure continuance of annual concession revenue based on Minimum Annual Guarantee (MAG); and

WHEREAS, this action will allow sufficient time to complete the design of a new Los Angeles International Airport ("LAX") Consolidated Rental Car ("ConRAC") facility. Los Angeles World Airports (LAWA) would then conduct a new Request for Bids (RFB) process to award new concession agreements to occupy and operate out of the new ConRAC facility if a decision to move forward with construction is made by that point. Otherwise, a traditional airport rental car RFB would be issued in its stead; and

WHEREAS, the new provisions are summarized as follows:

- Removal of the right of automobile rental concession ("RAC") operators to occupy counter space in the terminals. In lieu of these customer service counters, LAWA will assure each RAC the opportunity to utilize the new full service Interactive Visitors Centers that will feature interactive touch screens, as well as telephone connections, the ability to make or confirm reservations, and print out capabilities. These services will be provided free of charge to LAWA's on-airport RAC operators.
- Reaffirmation of the City of Los Angeles' ("City") ability to restrict the use of the Central Terminal Area (CTA) roadways at LAX by the RAC courtesy shuttle buses, through the continuation of LAWA's "Trip Reduction Program." In an attempt to further reduce traffic congestion in the CTA, the Amendment will, for the first time, impose a limitation on the overall length of courtesy vehicles of no more than 40 feet.
- Establishment of the "Alternative Fuel Vehicle Requirement Program" for RAC operators, consistent with the Air Quality/Emission Reductions and Control



requirements of the Community Benefits Agreement between LAWA and the LAX Coalition. Under the terms of this Program, RAC operators will convert their existing courtesy shuttle bus fleet to Alternate Fuel Vehicles or Comparable Emission Vehicles (or if such vehicles are not commercially available, the Least-Polluting Available Vehicles).

- Modification of the amount of the Faithful Performance Guarantee (FPG) that each Concessionaire is required to post. The Amendment will lower this requirement to one quarter of each operator's MAG, which is consistent with LAWA's FPG Policy.
- Requirement to comply with City administrative requirements adopted since commencement of the Agreements, including the First Source Hiring Program, Equal Employment Practices, and the Equal Benefits Ordinance; and

WHEREAS, these First Amendments will ensure that LAWA will continue receiving a minimum of \$43,434,210 in annual revenue (the current MAG). Actual revenue for Fiscal Year 2007-2008 (based upon 10 percent of gross receipts) is projected to exceed \$53 million; and

WHEREAS, issuance of leases and renewals, amendments or extensions thereof, granting use of existing facilities at a municipal airport is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III Class 1 (18)(c) of the Los Angeles City CEQA Guidelines, as amended by the City Council on July 31, 2002; and

WHEREAS, all Concessionaires will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances; and

WHEREAS, Contract Services Division reviewed this item. No specific Minority/Women Business Enterprise levels of participation were set for this project, as no subcontracting opportunities were identified; and

WHEREAS, all Concessionaires have submitted a current Affirmative Action Plan, and will comply with the provisions of the Affirmative Action Program; and

WHEREAS, all Concessionaires have Business Tax Registration Certificates; and

WHEREAS, all Concessionaires have submitted the Certification of Compliance with Child Support Obligations, and will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, all Concessionaires have approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, all Concessionaires have submitted the Contractor Responsibility Program Pledge of Compliance, and will comply with the provisions of the Contractor Responsibility Program; and

WHEREAS, all Concessionaires must be determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the First Amendments; and

WHEREAS, all Concessionaires will comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs once the program is formally implemented by LAWA; and

WHEREAS, action taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of the Los Angeles City Charter Section 606;

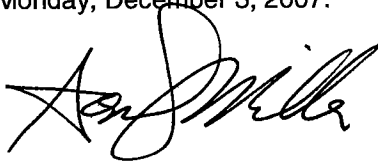
NOW, THEREFORE, IT IS ORDERED that it is in the best interest of the City of Los Angeles to adopt the Staff Report, to make and enter into said First Amendments, which are exempt from CEQA requirements, and the First Amendments as now before this Board are hereby approved, and the Executive Director of the Department of Airports is hereby authorized and directed to execute these First Amendments on behalf of this Board and the City of Los Angeles upon approval as to form by the City Attorney, and upon approval of this Order and said First Amendments by the City Council.

Section 2. IT IS FURTHER ORDERED that the Secretary of the Board is hereby directed to transmit to the City Council of the City of Los Angeles certified copies of this Order, together with copies of said First Amendments for appropriate action of its part, in accordance with Section 606 of the Charter of the City of Los Angeles.

Section 3. IT IS FURTHER ORDERED that the Secretary of the Board certify to the passage of this Order and cause the same to be published once in a newspaper of general circulation in the same manner as Ordinances of the City of Los Angeles are published, upon approval thereof by the City Council.

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I hereby certify that the foregoing is a true and correct copy of Board Order No. AO-5090 adopted by the Board of Airport Commissioners at a Regular Meeting held Monday, December 3, 2007.



Sandra J. Miller – Secretary  
BOARD OF AIRPORT COMMISSIONERS

## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and Alamo Rental (US) Inc. ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,

which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("**Executive Director**") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("**CARF**") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
- (10) amounts paid or credited to other automobile rental locations when Concessionaire rents those locations’ “**foreign**” (defined in Section 4(d) below) vehicles from Airport;
- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City's Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

- (1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

**Receipts Form**") which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as Exhibit B. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval."

4. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 5. Facilities.

(a) General. Concessionaire acknowledges City's ownership of the IVCs existing and in place at the time of the effective date of this Agreement. City may install additional IVCs.

(b) Removal of IVCs. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport's terminals.

(c) Continuous Telephone Lines. Concessionaire shall maintain a continuous direct-line telephone on the IVCs, as instructed by the Executive Director."

5. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

6. Section 7 of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

7. Section 8 of the Agreement is hereby amended and restated in its entirety as follows;

"Intentionally Omitted"

8. Section 10 of the Agreement shall be amended as follows:

8.1 Section 10(a) of the Agreement is hereby amended and restated in its entirety as follows:

"(a) 24-Hour Vehicle Rental Service. Concessionaire's automobile rental concession at Airport shall be in operation by means of a direct line telephone service twenty-four (24) hours a day, seven (7) days per week. Concessionaire shall, at all times during the term and at its own expense, maintain an adequate number of rental automobiles to meet all reasonable demands. Said vehicles shall

be all late model automobiles and shall, at Concessionaire's sole cost and expense, be maintained in good mechanical condition and be clean, inside and out."

8.2 Section 10(c) of the Agreement is hereby amended and restated in its entirety as follows:

"(c) Manager. Concessionaire shall designate an appropriate manager who shall be in charge of the concession business authorized herein as well as be responsible for the conduct of Concessionaire's employees."

8.3 Section 10(f) of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

"(h)

(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports ("LAWA"). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire's comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this

subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

9. Section 11 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 11. Environmental Requirements.

(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("**CARB**") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("**SCAQMD**") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.



(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of One Million Three Hundred Fifty-Eight Thousand Dollars (\$1,358,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

(b) Instrument. The Faithful Performance Guarantee shall be in the form of an irrevocable standby letter of credit, which shall be self-renewing from year to year, subject to termination upon sixty (60) days written notice to City. Such irrevocable standby letter of credit must be approved as to form by the Los Angeles Office of the City Attorney.

(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

13. Section 20 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

15. Section 22 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 22. Intentionally Omitted.”

16. Section 24(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“DBE”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“ACDBE”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

17. Section 27 of the Agreement shall be amended as follows:

17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

“(l) Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e) and 49 U.S.C §47107(a)(4).”

17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“**Ordinance**”) and the Los Angeles Administrative Code (“**Code**”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “**First Source Hiring Program**”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made

a material term of this Agreement. Concessionaire shall be an "Airport Employer" under the First Source Hiring Program."

19. Section 32 is added to the Agreement as follows:

"Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code ("**Equal Employment Practices**"), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended."

20. Section 33 is added to the Agreement as follows:

"Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge."

21. Section 34 is added to the Agreement as follows:

"Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the "**EBO**") (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et.seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.””

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/20/07  
By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

By [Signature]  
Assistant Secretary (Signature)

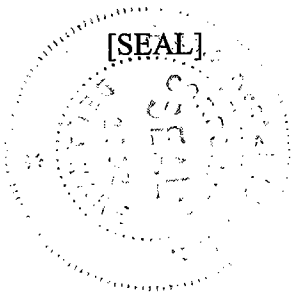
J. Scott Stonehocker  
(Print Name)

Alamo Rental (US) Inc.  
(Company Name)

By [Signature]  
(Signature)

Gary W. Cunningham  
(Print Name)

Vice President of Finance  
(Print Title)



## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and Avis Rent A Car System, ~~Inc.~~ LLC ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,

which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("**Executive Director**") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("**CARF**") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:



“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
- (10) amounts paid or credited to other automobile rental locations when Concessionaire rents those locations’ “**foreign**” (defined in Section 4(d) below) vehicles from Airport;
- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City’s Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

- (1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

**Receipts Form**") which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as **Exhibit B**. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval."

4. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 5. **Facilities**.

(a) **General**. Concessionaire acknowledges City's ownership of the IVCs existing and in place at the time of the effective date of this Agreement. City may install additional IVCs.

(b) **Removal of IVCs**. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport's terminals.

(c) **Continuous Telephone Lines**. Concessionaire shall maintain a continuous direct-line telephone on the IVCs, as instructed by the Executive Director."

5. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

**Intentionally Omitted**"

6. Section 7 of the Agreement is hereby amended and restated in its entirety as follows:

**Intentionally Omitted**"

7. Section 8 of the Agreement is hereby amended and restated in its entirety as follows;

**Intentionally Omitted**"

8. Section 10 of the Agreement shall be amended as follows:

8.1 Section 10(a) of the Agreement is hereby amended and restated in its entirety as follows:

"(a) **24-Hour Vehicle Rental Service**. Concessionaire's automobile rental concession at Airport shall be in operation by means of a direct line telephone service twenty-four (24) hours a day, seven (7) days per week. Concessionaire shall, at all times during the term and at its own expense, maintain an adequate number of rental automobiles to meet all reasonable demands. Said vehicles shall

be all late model automobiles and shall, at Concessionaire's sole cost and expense, be maintained in good mechanical condition and be clean, inside and out."

8.2 Section 10(c) of the Agreement is hereby amended and restated in its entirety as follows:

"(c) Manager. Concessionaire shall designate an appropriate manager who shall be in charge of the concession business authorized herein as well as be responsible for the conduct of Concessionaire's employees."

8.3 Section 10(f) of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

"(h)

(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports ("LAWA"). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire's comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this

subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

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(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("**CARB**") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("**SCAQMD**") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of Two Million Seventy-Nine Thousand Dollars (\$2,079,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

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(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum

annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

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“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

15. Section 22 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 22. Intentionally Omitted.”

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“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“DBE”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“ACDBE”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

17. Section 27 of the Agreement shall be amended as follows:

- 17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

“(l) Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e) and 49 U.S.C §47107(a)(4).”

- 17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“**Ordinance**”) and the Los Angeles Administrative Code (“**Code**”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “**First Source Hiring Program**”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made a material term of this Agreement. Concessionaire shall be an “Airport Employer” under the First Source Hiring Program.”

19. Section 32 is added to the Agreement as follows:

“Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code (“**Equal Employment Practices**”), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.”

20. Section 33 is added to the Agreement as follows:

“Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.”

21. Section 34 is added to the Agreement as follows:

“Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the “**EBO**”) (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.



(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.”

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/20/07  
By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:  
By [Signature]  
Assistant Secretary (Signature)

Robert Muhs  
(Print Name)

Avis Rent A Car System, LLC  
(Company Name)

By [Signature]  
(Signature)

**Robert Bouta, Senior Vice President**  
For Properties & Facilities for Avis Budget Car Rental LLC,  
an authorized representative of Avis Rent A Car System, LLC

\_\_\_\_\_  
(Print Title)

[SEAL]

**EXHIBIT LIST**

<b>Attachment A</b>	<b>Zip Codes [Attached to Agreement]</b>
<b>Exhibit B</b>	<b>Monthly Gross Receipts Form</b>
<b>Exhibit C</b>	<b>Alternative Fuel Vehicle Requirement Program</b>
<b>Exhibit D</b>	<b>First Source Hiring Program</b>
<b>Exhibit E</b>	<b>Equal Employment Practices</b>
<b>Exhibit F</b>	<b>Equal Benefits Ordinance</b>

## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and Budget Rent A Car System, Inc. ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,

which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("Executive Director") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("CARF") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
- (10) amounts paid or credited to other automobile rental locations when Concessionaire rents those locations’ “**foreign**” (defined in Section 4(d) below) vehicles from Airport;
- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City’s Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

(1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

**Receipts Form**”) which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as Exhibit B. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval.”

4. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 5. Facilities.

(a) General. Concessionaire acknowledges City’s ownership of the IVCs existing and in place at the time of the effective date of this Agreement. City may install additional IVCs.

(b) Removal of IVCs. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport’s terminals.

(c) Continuous Telephone Lines. Concessionaire shall maintain a continuous direct-line telephone on the IVCs, as instructed by the Executive Director.”

5. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

6. Section 7 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

7. Section 8 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

8. Section 10 of the Agreement shall be amended as follows:

8.1 Section 10(a) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) 24-Hour Vehicle Rental Service. Concessionaire's automobile rental concession at Airport shall be in operation by means of a direct line telephone service twenty-four (24) hours a day, seven (7) days per week. Concessionaire shall, at all times during the term and at its own expense, maintain an adequate number of rental automobiles to meet all reasonable demands. Said vehicles shall

be all late model automobiles and shall, at Concessionaire's sole cost and expense, be maintained in good mechanical condition and be clean, inside and out."

8.2 Section 10(c) of the Agreement is hereby amended and restated in its entirety as follows:

"(c) Manager. Concessionaire shall designate an appropriate manager who shall be in charge of the concession business authorized herein as well as be responsible for the conduct of Concessionaire's employees."

8.3 Section 10(f) of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

"(h)

(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports ("LAWA"). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire's comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this



subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

9. Section 11 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 11. Environmental Requirements.

(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("CARB") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("SCAQMD") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of One Million Sixty-Six Thousand Dollars (\$1,066,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

(b) Instrument. The Faithful Performance Guarantee shall be in the form of an irrevocable standby letter of credit, which shall be self-renewing from year to year, subject to termination upon sixty (60) days written notice to City. Such irrevocable standby letter of credit must be approved as to form by the Los Angeles Office of the City Attorney.

(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum

annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

13. Section 20 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

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“Sec. 22. Intentionally Omitted.”

16. Section 24(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“DBE”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“ACDBE”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

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17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“Ordinance”) and the Los Angeles Administrative Code (“Code”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “First Source Hiring Program”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made a material term of this Agreement. Concessionaire shall be an “Airport Employer” under the First Source Hiring Program.”

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“Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code (“**Equal Employment Practices**”), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.”

20. Section 33 is added to the Agreement as follows:

“Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.”

21. Section 34 is added to the Agreement as follows:

“Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the “**EBO**”) (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.”

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/20/27

By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

By [Signature]  
Assistant Secretary (Signature)

Paul Gallagher  
(Print Name)

Budget Rent A Car System, Inc.  
(Company Name)

By [Signature]  
(Signature)

**Robert Bouta, Senior Vice President**  
For Properties & Facilities for Avis Budget Car Rental, LLC  
an authorized representative of Budget Rent A Car System, Inc.

[SEAL]

\_\_\_\_\_  
(Print Title)

## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and Coast Leasing Corp. DBA Advantage Rent A Car ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,



which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("**Executive Director**") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("**CARF**") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
- (10) amounts paid or credited to other automobile rental locations when Concessionaire rents those locations’ “**foreign**” (defined in Section 4(d) below) vehicles from Airport;
- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City’s Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

(1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

**Receipts Form**") which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as Exhibit B. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval."

4. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 5. Facilities.

(a) General. Concessionaire acknowledges City's ownership of the IVCs existing and in place at the time of the effective date of this Agreement. City may install additional IVCs.

(b) Removal of IVCs. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport's terminals.

(c) Continuous Telephone Lines. Concessionaire shall maintain a continuous direct-line telephone on the IVCs, as instructed by the Executive Director."

5. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

6. Section 7 of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

7. Section 8 of the Agreement is hereby amended and restated in its entirety as follows;

"Intentionally Omitted"

8. Section 10 of the Agreement shall be amended as follows:

8.1 Section 10(a) of the Agreement is hereby amended and restated in its entirety as follows:

"(a) 24-Hour Vehicle Rental Service. Concessionaire's automobile rental concession at Airport shall be in operation by means of a direct line telephone service twenty-four (24) hours a day, seven (7) days per week. Concessionaire shall, at all times during the term and at its own expense, maintain an adequate number of rental automobiles to meet all reasonable demands. Said vehicles shall

be all late model automobiles and shall, at Concessionaire's sole cost and expense, be maintained in good mechanical condition and be clean, inside and out.”

8.2 Section 10(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Manager. Concessionaire shall designate an appropriate manager who shall be in charge of the concession business authorized herein as well as be responsible for the conduct of Concessionaire’s employees.”

8.3 Section 10(f) of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h)  
(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports (“LAWA”). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire’s comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this

subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

9. Section 11 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 11. Environmental Requirements.

(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("**CARB**") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("**SCAQMD**") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of Two Hundred Seventy-Four Thousand Dollars (\$274,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

(b) Instrument. The Faithful Performance Guarantee shall be in the form of an irrevocable standby letter of credit, which shall be self-renewing from year to year, subject to termination upon sixty (60) days written notice to City. Such irrevocable standby letter of credit must be approved as to form by the Los Angeles Office of the City Attorney.

(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum

annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

13. Section 20 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

15. Section 22 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 22. Intentionally Omitted.”

16. Section 24(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“**DBE**”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“**ACDBE**”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

17. Section 27 of the Agreement shall be amended as follows:

- 17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

“(l) Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e) and 49 U.S.C §47107(a)(4).”

- 17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“**Ordinance**”) and the Los Angeles Administrative Code (“**Code**”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “**First Source Hiring Program**”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made a material term of this Agreement. Concessionaire shall be an “Airport Employer” under the First Source Hiring Program.”



19. Section 32 is added to the Agreement as follows:

“Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code (“**Equal Employment Practices**”), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.”

20. Section 33 is added to the Agreement as follows:

“Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.”

21. Section 34 is added to the Agreement as follows:

“Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the “**EBO**”) (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.””

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/20/07

By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

By [Signature]  
Assistant Secretary (Signature)

MARSHALL A. FEIN  
(Print Name)

[SEAL]

COAST LEASING CORP.  
d/b/a ADVANTAGE RENT A CAR  
\_\_\_\_\_  
(Company Name)

By [Signature]  
(Signature)

J.P. Thompson III  
(Print Name)

Office of the Chairman  
(Print Title)

## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and DTG Operations, Inc. ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

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1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,

which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("**Executive Director**") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("**CARF**") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
- (10) amounts paid or credited to other automobile rental locations when Concessionaire rents those locations’ “**foreign**” (defined in Section 4(d) below) vehicles from Airport;
- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City’s Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

- (1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

**Receipts Form**”) which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as Exhibit B. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval.”

4. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 5. Facilities.

(a) General. Concessionaire acknowledges City’s ownership of the IVCs existing and in place at the time of the effective date of this Agreement. City may install additional IVCs.

(b) Removal of IVCs. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport’s terminals.

(c) Continuous Telephone Lines. Concessionaire shall maintain a continuous direct-line telephone on the IVCs, as instructed by the Executive Director.”

5. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

6. Section 7 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

7. Section 8 of the Agreement is hereby amended and restated in its entirety as follows;

“Intentionally Omitted”

8. Section 10 of the Agreement shall be amended as follows:

8.1 Section 10(a) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) 24-Hour Vehicle Rental Service. Concessionaire's automobile rental concession at Airport shall be in operation by means of a direct line telephone service twenty-four (24) hours a day, seven (7) days per week. Concessionaire shall, at all times during the term and at its own expense, maintain an adequate number of rental automobiles to meet all reasonable demands. Said vehicles shall

be all late model automobiles and shall, at Concessionaire's sole cost and expense, be maintained in good mechanical condition and be clean, inside and out.”

8.2 Section 10(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Manager. Concessionaire shall designate an appropriate manager who shall be in charge of the concession business authorized herein as well as be responsible for the conduct of Concessionaire’s employees.”

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“Intentionally Omitted”

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h)

(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports (“LAWA”). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire’s comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this



subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

9. Section 11 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 11. Environmental Requirements.

(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("**CARB**") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("**SCAQMD**") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of Eight Hundred Sixty-One Thousand Dollars (\$861,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

(b) Instrument. The Faithful Performance Guarantee shall be in the form of an irrevocable standby letter of credit, which shall be self-renewing from year to year, subject to termination upon sixty (60) days written notice to City. Such irrevocable standby letter of credit must be approved as to form by the Los Angeles Office of the City Attorney.

(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum

annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

13. Section 20 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

15. Section 22 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 22. Intentionally Omitted.”

16. Section 24(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“**DBE**”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“**ACDBE**”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

17. Section 27 of the Agreement shall be amended as follows:

17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

“(l) Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e) and 49 U.S.C §47107(a)(4).”

17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“**Ordinance**”) and the Los Angeles Administrative Code (“**Code**”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

“(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “**First Source Hiring Program**”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made a material term of this Agreement. Concessionaire shall be an “Airport Employer” under the First Source Hiring Program.”

19. Section 32 is added to the Agreement as follows:

“Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code (“**Equal Employment Practices**”), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.”

20. Section 33 is added to the Agreement as follows:

“Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.”

21. Section 34 is added to the Agreement as follows:

“Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the “**EBO**”) (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et.seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.””

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/20/07  
By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

DTG Operations, Inc., d/b/a Dollar Rent A Car  
(Company Name)

By [Signature]  
~~Assistant~~ Secretary (Signature)

By [Signature]  
(Signature)

Vicki J. Vaniman  
(Print Name)

Dean W. Strickland  
(Print Name)

[SEAL]

Vice President  
(Print Title)

## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and DTG Operations, Inc. ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,



which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("**Executive Director**") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("**CARF**") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
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- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City’s Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

- (1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

Receipts Form”) which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as Exhibit B. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval.”

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(b) Removal of IVCs. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport’s terminals.

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(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports (“LAWA”). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire’s comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this

subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

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(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("CARB") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("SCAQMD") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of Six Hundred Eighty-Eight Thousand Dollars (\$688,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

(b) Instrument. The Faithful Performance Guarantee shall be in the form of an irrevocable standby letter of credit, which shall be self-renewing from year to year, subject to termination upon sixty (60) days written notice to City. Such irrevocable standby letter of credit must be approved as to form by the Los Angeles Office of the City Attorney.

(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum

annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

13. Section 20 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

15. Section 22 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 22. Intentionally Omitted.”

16. Section 24(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“**DBE**”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“**ACDBE**”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

17. Section 27 of the Agreement shall be amended as follows:

17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

“(l) Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e) and 49 U.S.C §47107(a)(4).”

17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“**Ordinance**”) and the Los Angeles Administrative Code (“**Code**”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “**First Source Hiring Program**”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made a material term of this Agreement. Concessionaire shall be an “Airport Employer” under the First Source Hiring Program.”



19. Section 32 is added to the Agreement as follows:

“Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code (“**Equal Employment Practices**”), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.”

20. Section 33 is added to the Agreement as follows:

“Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.”

21. Section 34 is added to the Agreement as follows:

“Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the “**EBO**”) (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.”

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/20/07  
By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

DIG Operations, Inc., d/b/a Thrifty Car Rental  
(Company Name)

By [Signature]  
~~Assistant~~ Secretary (Signature)

By [Signature]  
(Signature)

Vicki J. Vaniman  
(Print Name)

Dean W. Strickland  
(Print Name)

[SEAL]

Vice President  
(Print Title)

## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and Enterprise Rent-A-Car Company of Los Angeles ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,

which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("**Executive Director**") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("**CARF**") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
- (10) amounts paid or credited to other automobile rental locations when Concessionaire rents those locations’ “**foreign**” (defined in Section 4(d) below) vehicles from Airport;
- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City’s Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

- (1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

**Receipts Form**") which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as Exhibit B. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval."

4. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 5. Facilities.

(a) General. Concessionaire acknowledges City's ownership of the IVCs existing and in place at the time of the effective date of this Agreement. City may install additional IVCs.

(b) Removal of IVCs. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport's terminals.

(c) Continuous Telephone Lines. Concessionaire shall maintain a continuous direct-line telephone on the IVCs, as instructed by the Executive Director."

5. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

6. Section 7 of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

7. Section 8 of the Agreement is hereby amended and restated in its entirety as follows;

"Intentionally Omitted"

8. Section 10 of the Agreement shall be amended as follows:

8.1 Section 10(a) of the Agreement is hereby amended and restated in its entirety as follows:

"(a) 24-Hour Vehicle Rental Service. Concessionaire's automobile rental concession at Airport shall be in operation by means of a direct line telephone service twenty-four (24) hours a day, seven (7) days per week. Concessionaire shall, at all times during the term and at its own expense, maintain an adequate number of rental automobiles to meet all reasonable demands. Said vehicles shall

be all late model automobiles and shall, at Concessionaire's sole cost and expense, be maintained in good mechanical condition and be clean, inside and out.”

8.2 Section 10(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Manager. Concessionaire shall designate an appropriate manager who shall be in charge of the concession business authorized herein as well as be responsible for the conduct of Concessionaire’s employees.”

8.3 Section 10(f) of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h)  
(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports (“LAWA”). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire’s comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this



subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

9. Section 11 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 11. Environmental Requirements.

(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("CARB") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("SCAQMD") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of Seven Hundred Eighty-One Thousand Dollars (\$781,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

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(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum

annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

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“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

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“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

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“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“DBE”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“ACDBE”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

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17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

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17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“**Ordinance**”) and the Los Angeles Administrative Code (“**Code**”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

“(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “**First Source Hiring Program**”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made a material term of this Agreement. Concessionaire shall be an “Airport Employer” under the First Source Hiring Program.”

19. Section 32 is added to the Agreement as follows:

"Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code ("**Equal Employment Practices**"), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended."

20. Section 33 is added to the Agreement as follows:

"Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge."

21. Section 34 is added to the Agreement as follows:

"Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the "**EBO**") (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.”

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/19/07  
By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

By [Signature]  
A Secretary (Signature)

MARK I LITOW  
(Print Name)

[SEAL]

ENTERPRISE RENT-A-CAR OF LOS ANGELES

\_\_\_\_\_  
(Company Name)  
By [Signature]  
(Signature)

Edward C. Butler  
(Print Name)

Regional Vice President  
(Print Title)

**First Amendment to Non-Exclusive Concession Agreement**

This First Amendment to Non-Exclusive Concession Agreement (the “**Amendment**”) is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation (“**City**”), acting by order of and through its Board of Airport Commissioners (the “**Board**”) and Fox Rent A Car, Inc. (“**Concessionaire**”).

**RECITALS**

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the “**Agreement**”) effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport (“**Airport**”), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

**AGREEMENT**

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

“2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the “**IVCs**”) located in the arrival areas of Airport’s terminals, operated by Airport’s advertising concessionaire (the “**Airport Advertising Concessionaire**”). Concessionaire’s right shall be limited to providing Concessionaire’s information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport’s central terminal area (the “**Central Terminal Area**”) to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport’s ticketing building (“**Ticketing Buildings**”), subject to the provisions of “Section 10(h) Traffic Movement”, the applicable provisions in the LAX Rules and Regulations,



which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("Executive Director") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("CARF") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
- (10) amounts paid or credited to other automobile rental locations when Concessionaire rents those locations’ “**foreign**” (defined in Section 4(d) below) vehicles from Airport;
- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City’s Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

- (1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

**Receipts Form**”) which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as Exhibit B. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval.”

4. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 5. Facilities.

(a) General. Concessionaire acknowledges City’s ownership of the IVCs existing and in place at the time of the effective date of this Agreement. City may install additional IVCs.

(b) Removal of IVCs. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport’s terminals.

(c) Continuous Telephone Lines. Concessionaire shall maintain a continuous direct-line telephone on the IVCs, as instructed by the Executive Director.”

5. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

6. Section 7 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

7. Section 8 of the Agreement is hereby amended and restated in its entirety as follows;

“Intentionally Omitted”

8. Section 10 of the Agreement shall be amended as follows:

8.1 Section 10(a) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) 24-Hour Vehicle Rental Service. Concessionaire's automobile rental concession at Airport shall be in operation by means of a direct line telephone service twenty-four (24) hours a day, seven (7) days per week. Concessionaire shall, at all times during the term and at its own expense, maintain an adequate number of rental automobiles to meet all reasonable demands. Said vehicles shall

be all late model automobiles and shall, at Concessionaire's sole cost and expense, be maintained in good mechanical condition and be clean, inside and out."

8.2 Section 10(c) of the Agreement is hereby amended and restated in its entirety as follows:

"(c) Manager. Concessionaire shall designate an appropriate manager who shall be in charge of the concession business authorized herein as well as be responsible for the conduct of Concessionaire's employees."

8.3 Section 10(f) of the Agreement is hereby amended and restated in its entirety as follows:

"Intentionally Omitted"

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

"(h)  
(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports ("LAWA"). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire's comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this

subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

9. Section 11 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 11. Environmental Requirements.

(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("CARB") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("SCAQMD") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

(b) Instrument. The Faithful Performance Guarantee shall be in the form of an irrevocable standby letter of credit, which shall be self-renewing from year to year, subject to termination upon sixty (60) days written notice to City. Such irrevocable standby letter of credit must be approved as to form by the Los Angeles Office of the City Attorney.

(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum

annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

13. Section 20 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

15. Section 22 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 22. Intentionally Omitted.”

16. Section 24(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“DBE”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“ACDBE”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

17. Section 27 of the Agreement shall be amended as follows:

17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

“(l) Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e) and 49 U.S.C §47107(a)(4).”

17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“**Ordinance**”) and the Los Angeles Administrative Code (“**Code**”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “**First Source Hiring Program**”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made a material term of this Agreement. Concessionaire shall be an “Airport Employer” under the First Source Hiring Program.”



19. Section 32 is added to the Agreement as follows:

“Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code (“**Equal Employment Practices**”), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.”

20. Section 33 is added to the Agreement as follows:

“Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.”

21. Section 34 is added to the Agreement as follows:

“Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the “**EBO**”) (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.””

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/20/07

By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

By A. Goehring  
Assistant Secretary (Signature)

ARNOLD GOEHRING  
(Print Name)

[SEAL]

FOX RENT A CAR, INC.  
(Company Name)

By [Signature]  
(Signature)

JOE KNIGHT  
(Print Name)

VICE PRESIDENT  
(Print Title)

## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and The Hertz Corporation ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,

which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("**Executive Director**") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("**CARF**") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

3.2 Section 4(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

- (1) time and mileage charges;
- (2) insurance coverage charges billed to customer, including but not limited to personal accident insurance, personal effects and supplemental liability insurance coverages incidental to the rental of vehicles at Airport;
- (3) dropoff fees;
- (4) exchanges;
- (5) receipts from airline or travel agents as part of any promotion featuring free or reduced rates as part of a package;
- (6) miscellaneous receipts charged to a customer for associated services and equipment;
- (7) receipts from any rentals solicited at Airport regardless of where the rental contract is executed or where the vehicle is picked up;
- (8) receipts from any rentals where the vehicle is picked up within a three (3) mile radius of Airport regardless of whether it is arranged by Concessionaire’s employees, agents, representatives, affiliates or foreign subsidiaries;
- (9) fees, rebates or commissions paid by Concessionaire to airlines, corporate customers, travel agencies or others;
- (10) amounts paid or credited to other automobile rental locations when Concessionaire rents those locations’ “**foreign**” (defined in Section 4(d) below) vehicles from Airport;
- (11) collision damage waiver and/or loss damage waiver actual charges billed to a customer, whether or not they are separately identified as such on the rental agreement and the City’s Monthly Gross Receipts Form (defined below); and
- (12) charges to customers for fuel, fueling service fees and charges, and receipts for replacement of fuel whether at the commencement or end of the rental.”

3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

“(e) Report Forms and Records.

- (1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

**Receipts Form**”) which may be amended from time to time by City. The current Monthly Gross Receipts Form is attached hereto as Exhibit B. Concessionaire agrees to use the most current form for reporting its gross receipts.

(2) If Concessionaire receives approval to operate under dual brands, the method and manner of reporting shall be stated in such approval.”

4. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 5. Facilities.

(a) General. Concessionaire acknowledges City’s ownership of the IVCs existing and in place at the time of the effective date of this Agreement. City may install additional IVCs.

(b) Removal of IVCs. City retains the right to remove all IVCs in all Ticketing Buildings. If City removes courtesy telephone service on the IVCs, City shall provide other means of courtesy telephone service in areas to be designated by the Executive Director, at or near the baggage claim areas in the Airport’s terminals.

(c) Continuous Telephone Lines. Concessionaire shall maintain a continuous direct-line telephone on the IVCs, as instructed by the Executive Director.”

5. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

6. Section 7 of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

7. Section 8 of the Agreement is hereby amended and restated in its entirety as follows;

“Intentionally Omitted”

8. Section 10 of the Agreement shall be amended as follows:

8.1 Section 10(a) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) 24-Hour Vehicle Rental Service. Concessionaire's automobile rental concession at Airport shall be in operation by means of a direct line telephone service twenty-four (24) hours a day, seven (7) days per week. Concessionaire shall, at all times during the term and at its own expense, maintain an adequate number of rental automobiles to meet all reasonable demands. Said vehicles shall

be all late model automobiles and shall, at Concessionaire's sole cost and expense, be maintained in good mechanical condition and be clean, inside and out.”

8.2 Section 10(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Manager. Concessionaire shall designate an appropriate manager who shall be in charge of the concession business authorized herein as well as be responsible for the conduct of Concessionaire’s employees.”

8.3 Section 10(f) of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h)  
(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports (“LAWA”). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire’s comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this



subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

9. Section 11 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 11. Environmental Requirements.

(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("**CARB**") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("**SCAQMD**") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2). Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of Three Million Nine Hundred Forty-Two Thousand Dollars (\$3,942,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

(b) Instrument. The Faithful Performance Guarantee shall be in the form of an irrevocable standby letter of credit, which shall be self-renewing from year to year, subject to termination upon sixty (60) days written notice to City. Such irrevocable standby letter of credit must be approved as to form by the Los Angeles Office of the City Attorney.

(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

13. Section 20 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

15. Section 22 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 22. Intentionally Omitted.”

16. Section 24(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“DBE”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“ACDBE”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

17. Section 27 of the Agreement shall be amended as follows:

17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

“(l) Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e) and 49 U.S.C §47107(a)(4).”

17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“**Ordinance**”) and the Los Angeles Administrative Code (“**Code**”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “**First Source Hiring Program**”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made

a material term of this Agreement. Concessionaire shall be an "Airport Employer" under the First Source Hiring Program."

19. Section 32 is added to the Agreement as follows:

"Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code ("**Equal Employment Practices**"), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended."

20. Section 33 is added to the Agreement as follows:

"Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge."

21. Section 34 is added to the Agreement as follows:

"Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the "**EBO**") (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.””

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

Date: 12/20/07  
By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

By [Signature]  
Assistant Secretary (Signature)

Robert M. Hurwitz  
(Print Name)

THE HERTZ CORPORATION <sup>mb</sup>  
(Company Name)

By [Signature]  
(Signature)

Simon Ellis  
(Print Name)

[SEAL]

Staff Vice President, Real Estate  
(Print Title) & Concessions

## First Amendment to Non-Exclusive Concession Agreement

This First Amendment to Non-Exclusive Concession Agreement (the "**Amendment**") is made and entered into as of February 1, 2008 by and between the City of Los Angeles, a municipal corporation ("**City**"), acting by order of and through its Board of Airport Commissioners (the "**Board**") and National Rental (US) Inc. ("**Concessionaire**").

### RECITALS

WHEREAS, City and Concessionaire entered into a Non-Exclusive Concession Agreement on February 1, 2003 (the "**Agreement**") effective until January 31, 2008;

WHEREAS, City, as owner and operator of Los Angeles International Airport ("**Airport**"), and Concessionaire wish to amend the Agreement to amend certain provisions of the Agreement, including the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows.

### AGREEMENT

1. Section 2 of the Agreement shall be amended as follows:

1.1 Section 2(a) of the Agreement is hereby amended and restated in its entirety as follows:

"2(a)

(1) City hereby grants to Concessionaire, subject to all the terms, covenants and conditions of this Agreement, the non-exclusive right to offer its automobile rental services on interactive visitors centers (the "**IVCs**") located in the arrival areas of Airport's terminals, operated by Airport's advertising concessionaire (the "**Airport Advertising Concessionaire**"). Concessionaire's right shall be limited to providing Concessionaire's information on interactive displays on the touch screen panels of the IVCs and courtesy telephone service on the IVCs.

(2) Subject to all the terms, covenants and conditions of this Agreement, Concessionaire shall have the non-exclusive right to operate its courtesy vehicles in the Airport's central terminal area (the "**Central Terminal Area**") to pick up and drop off its passengers. Concessionaire shall only pick up and drop off its passengers at designated locations at each of Airport's ticketing building ("**Ticketing Buildings**"), subject to the provisions of "Section 10(h) Traffic Movement", the applicable provisions in the LAX Rules and Regulations,



which may be amended from time to time, and the applicable provisions in the LAX Ground Transportation Program, which may be amended from time to time.

(3) During the term of the Agreement, Concessionaire will be permitted to operate at Airport only under the brand name that it designated in its response to the Invitation for Bids.

(4) Concessionaire's use of said facilities for any purpose, other than as specified above, shall be prohibited unless the Executive Director of Los Angeles World Airports or his or her authorized representative's ("**Executive Director**") prior written approval has been obtained. Concessionaire's right to engage in the above-referenced business shall be non-exclusive inasmuch as City also intends to enter into concession agreements, based upon the same terms and conditions as specified herein, with other persons, firms, or corporations to provide a like or similar service at Airport. City has also implemented a comprehensive and non-discriminatory fee and regulation program for off-airport automobile rental companies who operate or attempt to operate at Airport without concession agreements."

1.2 Section 2(b) of the Agreement is hereby deleted in its entirety and replaced by the following:

"(b) Intentionally Omitted"

2. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 3. Term.

(a) Term. Except as provided in this Agreement, this Agreement shall be effective for a term of two (2) years commencing February 1, 2008 and terminating at midnight on January 31, 2010.

(b) Airport's Right to Terminate. Notwithstanding Section 3 (a) above, City shall have the right to terminate this Agreement upon six (6) months prior written notice in the event the operational date of the consolidated automobile rental facility ("**CARF**") on Airport facilities is determined. The parties acknowledge that due to circumstances beyond City's control, the operational date of the CARF, if and when it is determined, may be delayed. The parties therefore agree that although City will use its good faith effort to determine the termination date of the Agreement, such date may be amended. City will send a notice to Concessionaire if and when an amended termination date is confirmed."

3. Section 4 of the Agreement shall be amended as follows:

3.1 Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

“(b) For each year during the term of this Agreement, the minimum annual guarantee shall be the greater of the minimum annual guarantee paid during the immediately preceding contract year or ninety percent (90%) of the actual concession fees paid to City during the previous contract year, but never less than the minimum annual guarantee stated in Section 4(a) above.”

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“(c) Definition. Subject to Section 4(d) below, “**gross receipts**” shall be defined as any consideration of any kind received, derived, and/or billed by Concessionaire from the rental of vehicles including, but not limited to:

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- (6) miscellaneous receipts charged to a customer for associated services and equipment;
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3.3 Section 4(e) of the Agreement is hereby amended and restated in its entirety as follows:

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- (1) Concessionaire agrees to submit to City with each monthly payment a completed copy of the monthly gross receipts form (the “**Monthly Gross**

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8.3 Section 10(f) of the Agreement is hereby amended and restated in its entirety as follows:

“Intentionally Omitted”

8.4 Section 10(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h)

(1) Concessionaire acknowledges and understands that City has developed an extensive airport roadway system in an effort to reduce traffic congestion, improve air quality, and promote ease of accessibility to and use of Airport facilities. In order to best optimize the roadway system for all Airport users, City requires a significant reduction in the number of automobile rental courtesy vehicle circuits in the Central Terminal Area as compared to the number of automobile rental courtesy vehicle circuits made during a previous base period as determined by Los Angeles World Airports (“LAWA”). As such, City has implemented a trip reduction program that was approved by the Board. Such plan may be amended from time to time at the discretion of the Board. Concessionaire expressly agrees to implement such plan, as may be amended from time to time. City intends to assess significant financial or other penalties on any Concessionaire refusing to comply with the implementation of the plan and for ongoing violations of the plan.

(2) The implementation and operational costs of any trip reduction plan shall be borne solely by Concessionaire. City reserves the right to review such plan from time to time and to amend such plan based on changes in traffic congestion, emissions, construction projects, roadway design or capacity, new measurement capabilities or other relevant factors. Concessionaire will be given notice of any new or revised plan as follows: City will provide such new or revised plan to Concessionaire at which time Concessionaire will have thirty (30) days to review and comment on such plan. City will consider Concessionaire’s comments and develop a final plan. City will then provide sixty (60) days advance written notice, through its Executive Director or his or her designee, that Concessionaire will be required to implement such new or revised plan and Concessionaire expressly agrees to implement such new or revised plan. For purposes of this

subsection, adjustments and changes in methodology for calculating trip allowances shall not be considered a new or revised plan such that it requires notice pursuant to this subsection.

(3) Concessionaire acknowledges that Airport intends in the future to design and construct a CARF at or near Airport, with a common use transportation system. Airport will discuss and consider comments from Concessionaire during the design phase for the CARF. Once constructed and operational, it is intended that all on- and off-airport automobile rental companies shall transport their customers to and from the CARF and the Ticketing Buildings via a common use transportation system. In the event that Airport decides to proceed with a CARF during the term of this Agreement, it is Airport's intent to terminate this Agreement pursuant to Section 3(b) above."

9. Section 11 of the Agreement is hereby amended and restated in its entirety as follows:

"Sec. 11. Environmental Requirements.

(a) Requirements. Concessionaire shall comply with the provisions of the alternative fuel vehicle requirement program (the "**Alternative Fuel Vehicle Requirement Program**"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit C and made a material term of this Agreement. Concessionaire shall provide Attachment 1 referenced in Exhibit C prior to the commencement of the term of this Agreement.

(b) Penalties for Noncompliance of former Section 11. In the event Concessionaire's courtesy vehicles are not in compliance with either Section 11(b)(1) or (b)(2) below as of August 1, 2008, Concessionaire shall be subject to a monetary penalty of Thirty-Five Dollars (\$35) per day for each vehicle that is in violation of this subsection until such violation is cured for such vehicle. For example, if Concessionaire has two (2) vehicles that do not comply with either Section 11(b)(1) or Section 11(b)(2), and has not cured such violation for a period of thirty (30) days for both vehicles, Concessionaire will be fined \$2,100 (2 x \$35 x 30) for such violation). If Concessionaire is in violation of this Section 11(b) for a period longer than six (6) months, this Agreement may be terminated at the discretion of the Executive Director.

(b)(1) Concessionaire's diesel fueled vehicles used at Airport are retrofitted with exhaust after-treatment filters, commonly referred to as particulate traps. Each particulate trap has been certified by the California Air Resources Board ("**CARB**") as meeting the emission reductions to at least those required by the South Coast Air Quality Management District ("**SCAQMD**") in their Rule 1194. Each diesel vehicle that has been retrofitted is operated only on low sulfur diesel fuel to maintain the effectiveness of the filter.

(b)(2) Concessionaire has replaced its non-alternative-fueled courtesy vehicles with Alternative-Fueled Vehicles. For purposes of only this Section 11(b)(2), Alternative-Fueled Vehicles shall mean a vehicle that is powered by clean burning or alternative fuels and is certified by CARB as meeting Ultra-Low Emission Vehicle, Super-Ultra Low Emission Vehicle or Zero Emission Vehicle emission standards.

(c) Concessionaire acknowledges that compliance with this Section 11 does not relieve Concessionaire from complying with any and all applicable Federal, State and local regulations.”

10. Section 15(a), (b) and (c) of the Agreement is hereby amended and restated in its entirety as follows:

“(a) General. Concessionaire shall furnish to City and maintain throughout the term of this Agreement a security deposit (the “**Faithful Performance Guarantee**”) to secure the faithful performance by Concessionaire of all the terms, provisions and covenants contained herein, including, but not limited to, the payment of its minimum annual guarantee, its percentage concession fees, and any other specified compensation. Such Faithful Performance Guarantee shall be separate from any other guarantees that may be required by City. Such Faithful Performance Guarantee shall be in the amount of Nine Hundred Sixty-Three Thousand Dollars (\$963,000).

(1) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter increased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum of twenty-five percent (25%) of the new amount.

(2) If Concessionaire has previously provided such Faithful Performance Guarantee to City and if, for any reason, Concessionaire’s monthly monetary obligation to City is thereafter decreased in excess of fifteen percent (15%), then the amount of Concessionaire’s Faithful Performance Guarantee shall, within thirty (30) days after City receives written notice from Concessionaire, may be correspondingly decreased to a sum of twenty-five percent (25%) of the new amount.

(b) Instrument. The Faithful Performance Guarantee shall be in the form of an irrevocable standby letter of credit, which shall be self-renewing from year to year, subject to termination upon sixty (60) days written notice to City. Such irrevocable standby letter of credit must be approved as to form by the Los Angeles Office of the City Attorney.

(c) Notices. Concessionaire shall furnish the Faithful Performance Guarantee in duplicate within thirty (30) days following notice of adjustment of the minimum

annual guarantee. If, for any reason, said Faithful Performance Guarantee is not maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Section 25 of this Agreement, may terminate this Agreement. Upon the expiration or earlier termination of this Agreement, if Concessionaire has satisfied all of its obligations to City hereunder, City shall relinquish to Concessionaire said Faithful Performance Guarantee.”

11. Section 17(b)(iv) is added after Section 17(b)(iii) of the Agreement as follows:

“(iv) City encourages Concessionaire to have a courtesy vehicle fleet that has vehicles averaging thirty-five (35) feet in length, but in no event shall the length of any of Concessionaire’s buses exceed forty (40) feet.”

12. Section 19(c) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Concessionaire with City shall constitute a material breach of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this section.”

13. Section 20 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 20. Intentionally Omitted.”

14. Section 21 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 21. City’s Right or Legal Obligation to Contract with Others Regarding Concession Rights. City, upon the termination of this Agreement pursuant to Section 19 hereof, may lease or reassign the IVC space granted herein to others and shall have the right to permit any person, firm or corporation to use the same. Such leasing or assignment to others by City may be of a part only of the IVC, or the whole thereof, or a part thereof with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or make such other changes on the IVCs as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement. In the event of either any leasing or assigning to others, or any actual use by City, there shall be charged to Concessionaire all expenses, costs and disbursements incurred or paid to City in connection therewith. No leasing or assigning to others by City shall be, or be construed to be, an acceptance of surrender.”

15. Section 22 of the Agreement is hereby amended and restated in its entirety as follows:

“Sec. 22. Intentionally Omitted.”

16. Section 24(h) of the Agreement is hereby amended and restated in its entirety as follows:

“(h) This Concession Agreement is subject to the provisions of 49 CFR Part 23. LAWA did not originally establish Disadvantaged Business Enterprises (“DBE”) levels of participation for this Agreement under the prior regulation; however, Concessionaire is encouraged to assist LAWA in meeting its overall annual Federal Aviation Administration goal for Airport Concession Disadvantaged Business Enterprise (“ACDBE”) participation. With the establishment of the ACDBE regulations pursuant to 49 CFR Part 23, concessionaires are required to submit, in the form specified by City, a quarterly report (called the “Utilization Report”) on participation of ACDBE vendors and suppliers for the purpose of demonstrating compliance with this regulation.”

17. Section 27 of the Agreement shall be amended as follows:

17.1 Section 27(l) of the Agreement is hereby amended and restated in its entirety as follows:

“(l) Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e) and 49 U.S.C §47107(a)(4).”

17.2 Section 27(q) and Section 27(r) is added to the Agreement as follows:

“(q) Ordinance and Code Language Governs. Ordinances issued by the City of Los Angeles (“Ordinance”) and the Los Angeles Administrative Code (“Code”) exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or Code language, or amendments thereto, the language of the Ordinance and/or Code shall govern.

(r) Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.”

18. Section 31 is added to the Agreement as follows:

“Sec. 31. First Source Hiring Program For Airport Employers. Concessionaire shall comply with the provisions of the first source hiring program adopted by the Board (the “First Source Hiring Program”). The rules, regulations, requirements and penalties of the First Source Hiring Program are attached as Exhibit D and made a material term of this Agreement. Concessionaire shall be an “Airport Employer” under the First Source Hiring Program.”



19. Section 32 is added to the Agreement as follows:

“Sec. 32. Equal Employment Practices. If the total payments made to City under this Concession Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Concession Agreement, Concessionaire agrees to comply with Section 10.8.3 of the Code (“**Equal Employment Practices**”), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit E. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Code, the failure of Concessionaire to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Concessionaire. Upon a finding duly made that Concessionaire has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.”

20. Section 33 is added to the Agreement as follows:

“Sec. 33. Disabled Access.

(a) Concessionaire shall be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, applicable to Concessionaire, including any services, programs, improvements or activities provided by Concessionaire. Concessionaire shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Concessionaire noncompliance. Further, Concessionaire agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

(b) Should Concessionaire fail to comply with this subsection, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Concessionaire will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.”

21. Section 34 is added to the Agreement as follows:

“Sec. 34. Equal Benefits Ordinance.

(a) This Agreement may be subject to the Equal Benefits Ordinance (the “**EBO**”) (Section 10.8.2.1, et seq., of the Code, as amended from time to time), which is incorporated herein by this reference. A copy of Section 10.8.2.1 has been attached hereto as Exhibit F.

(b) If applicable, during the term of the Agreement, Concessionaire certifies and represents that the Concessionaire will comply with the EBO.

(c) The failure of Concessionaire to comply with the EBO will be deemed to be a material breach of the Agreement by City.

(d) If Concessionaire fails to comply with the EBO, City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach.

(e) Failure to comply with the EBO may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(f) If the Department of Public Works, Bureau of Contract Administration determines that Concessionaire has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Agreement. Violation of this provision may be used as evidence against Concessionaire in actions taken pursuant to the provisions of the Code Section 10.40, et. seq., Contractor Responsibility Ordinance.

(g) Concessionaire agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of the Agreement with the City of Los Angeles, Concessionaire will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.””

*[signature page follows]*

All other terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Amendment to be executed on its behalf by the Executive Director, and Concessionaire has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

CITY OF LOS ANGELES

By \_\_\_\_\_  
Executive Director  
Los Angeles World Airports

APPROVED AS TO FORM:  
Rockard J. Delgadillo, City Attorney

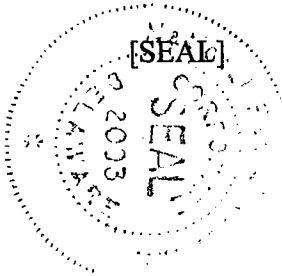
Date: 12/20/07  
By: [Signature]  
Deputy/Assistant City Attorney

ATTEST:

By [Signature]  
Assistant Secretary (Signature)  
J. Scott Stonehocker  
(Print Name)

National Rental (US) Inc.  
(Company Name)  
By [Signature]  
(Signature)  
Gary W. Cunningham  
(Print Name)

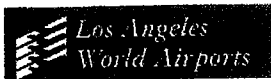
~~\_\_\_\_\_  
Vice President of Finance  
(Print Title)~~



**EXHIBIT LIST**

<b>Attachment A</b>	<b>Zip Codes [Attached to Agreement]</b>
<b>Exhibit B</b>	<b>Monthly Gross Receipts Form</b>
<b>Exhibit C</b>	<b>Alternative Fuel Vehicle Requirement Program</b>
<b>Exhibit D</b>	<b>First Source Hiring Program</b>
<b>Exhibit E</b>	<b>Equal Employment Practices</b>
<b>Exhibit F</b>	<b>Equal Benefits Ordinance</b>

# EXHIBIT "B"



City of Los Angeles  
Los Angeles World Airports (LAWA)

## Automobile Rental Business (ARB) On Airport Activity Report

Company Name:	<input type="text"/>	RAMS Agreement #:	<input type="text"/>
Report Period Beginning:	<input type="text" value="February 1, 2008"/>	Period Ending:	<input type="text" value="February 29, 2008"/>
Submitted by:	<input type="text"/>		<input type="text"/>
Signature:	<input type="text"/>	Telephone #:	<input type="text"/>
Date Report Submitted:	<input type="text"/>	Fax #:	<input type="text"/>

Gross Revenue	<input type="text"/>	
Add Misc. revenues *	<input type="text"/>	(* cell phones; ski racks; child seats, etc)
Less Exclusions	<input type="text"/>	(* taxes; provide detail below)
Adjusted Gross Revenue	<input type="text" value="\$0.00"/>	
Gross Percentage Revenue due	<input type="text" value="\$0.00"/>	
Monthly Mag	<input type="text"/>	(1/12 minimum annual guarantee)
Fees Due	<input type="text" value="\$0.00"/>	(greater of percentage fee or MAG)
City Occupancy Tax	<input type="text"/>	
Late Fee	<input type="text"/>	
<b>CFC</b>		
No. of Transactions	<input type="text"/>	
No. of Rental Days	<input type="text"/>	
Amount Collected	<input type="text"/>	
Total Due	<input type="text" value="\$0.00"/>	

To calculate the City Occupancy Tax (ONT exempt) take your \$ amount, determine your # of units and multiply the # of units by 1.48 (which is the City Occupancy Tax figure). For example: If you have \$30,010 that = 31 units (because you always round up); 31 x 1.48 = \$45.88. You would input \$45.88 in the COT box to the right. **PLEASE NOTE THAT 441.04 of the CITY OCCUPANCY TAX IS INCLUDED W/ THE MAG PAYMENT.**

### Exclusion Description and Exemption Description

OTHER TAX =
LOCALS =

1) Please submit this report to "activityreports@lawa.org" on or before the 20th day of the month following the report month.

2) Please submit your payment with a signed copy of this report to the address to the right. A late payment fee of \$100 per day will be applied for late reports.

City of Los Angeles  
Los Angeles World Airport File 54989  
Los Angeles, CA 90074-4989

3) For questions related to this report, please contact LAWA Revenue Accounting at 310-646-6719.

# EXHIBIT "C"

## ALTERNATIVE FUEL VEHICLE REQUIREMENT PROGRAM (LAX ONLY)

### I. Definitions.

The following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

"Airport Contract" shall mean a contract awarded by LAWA and pertaining to LAX, and subcontracts of any level under such a contract.

"Airport Contractor" shall mean (i) any entity awarded an Airport Contract, and subcontractors of any level working under an Airport Contract; (ii) any contractors that have entered into a contract with an Airport Lessee to perform work on property owned by LAWA and pertaining to LAX, and any subcontractors working in furtherance of such a contract; and (iii) any contractor that have entered into a contract with an Airport Licensee to perform work pertaining to LAX, and any subcontractors working under such a contract.

"Airport Lessee" shall mean any entity that leases or subleases any property owned by LAWA and pertaining to LAX.

"Airport Licensee" shall mean any entity issued a license or permit by LAWA for operations that pertain to LAX.

"Alternative-Fuel Vehicle" shall mean a vehicle that is not powered by petroleum-derived gasoline or diesel fuel. Alternative-Fuel Vehicles include, but are not limited to, vehicles powered by compressed or liquefied natural gas, liquefied petroleum gas, methanol, ethanol, electricity, fuel cells, or other advanced technologies. Vehicles that are powered with a fuel that includes petroleum-derived gasoline or diesel are Alternative-Fuel Vehicles only if the petroleum-derived energy content of the fuel is no more than twenty percent (20%) of the total energy content of the fuel. Vehicles powered by dual fuel technologies are Alternative-Fuel Vehicles only if no more than twenty-percent (20%) of the fuel used by the engine comes from a petroleum-derived fuel. Vehicles powered by fuels that are derived from sources other than petroleum, but that can be used in conventional spark or combustion-ignition engines, are Alternative-Fuel Vehicles.

"CARB" shall mean the California Air Resources Board.

"Covered Vehicles" is defined in Section II below.

"EPA" shall mean the United States Environmental Protection Agency.

"Independent Third Party Monitor" shall mean an independent third party monitor retained by LAWA.

"LAWA" shall mean Los Angeles World Airports.

**“LAX”** shall mean Los Angeles International Airport.

**“Least-Polluting Available Vehicle”** shall mean a vehicle that (i) is determined by an Independent Third Party Monitor to be (x) commercially available, (y) suitable for performance of a particular task, and (z) certified by CARB or EPA to meet the applicable engines emission standard in effect at the time of purchase; and (ii) is equipped with a retrofit device that reduces NOx emissions by at least twenty-five percent (25%) and reduces particulate matter by at least eighty-five percent (85%). Where more than one vehicle meets these requirements for a particular task, LAWA, working with the Independent Third Party Monitor, will designate as the Least-Polluting Available Vehicle the vehicle that emits the least amount of criteria air pollutants.

**“Operator”** shall mean any Airport Contractor, Airport Lessee, or Airport Licensee.

**“Optional Low NOx Standard Vehicle”** shall mean a vehicle powered by an engine certified by CARB as meeting the optional low NOx emission standard applicable at the time of purchase.

**II. Covered Vehicles.** The requirements under this Attachment shall apply to all on-road vehicles, including trucks, shuttles, passenger vans, and buses that are 8,500 lbs gross vehicle weight rating or more and are used in operations related to LAX (“**Covered Vehicles**”).

**III. Conversion Schedule.**

A. By January 31, 2010, fifty percent (50%) of the Covered Vehicles operated by an Operator shall be Alternative-Fuel Vehicles or Optional Low NOx Standard Vehicles.

B. By January 31, 2015, one hundred percent (100%) of the Covered Vehicles operated by an Operator shall be Alternative-Fuel Vehicles or Optional Low NOx Standard Vehicles.

**IV. Least-Polluting Available Vehicles.** In case where an Operator can not comply with the requirements established pursuant to Section III above because neither Alternative-Fuel Vehicles nor Optional Low NOx Standard Vehicles are not commercially available for performance of particular tasks, LAWA will instead require Operators to use Least-Polluting Available Vehicles for such tasks. An Independent Third Party Monitor will determine on an annual basis whether Alternative-Fuel Vehicles or Optional Low NOx Standard Vehicles are commercially available to perform particular tasks, and, in cases where Alternative-Fuel Vehicles are not commercially available for performance of a particular task, will identify the Least-Polluting Available Vehicle for performance of that task.

**V. Written Reports.** Operator shall provide a semi-annual report to LAWA in the form attached as Attachment 1, which may be amended from time to time by LAWA.





2-Dec-07

## LAX Retrofit Schedule (Completed)

Vanguard Car Rental, USA Inc.

Cummins Cal Pacific Invoice	FLEET #	VIN	L.P.	Date Completed	Year/Make	MODEL	TYPE	NUMBER PASS.
002-45502	01	15GGD181051075023	7S60997	17-Aug	2005 Gillig	R/Eng	COU	20
002-45736	02	15GGD181851075027	7S61001	28-Aug	2005 Gillig	R/Eng	COU	20
002-45796	03	15GGD181451075025	7S60999	3-Apr	2005 Gillig	R/Eng	COU	20
002-45851	04	15GGD181651075026	7S61000	7-Sep	2005 Gillig	R/Eng	COU	20
002-45940	05	15GGD181951075022	7S60996	10-Sep	2005 Gillig	R/Eng	COU	20
002-45967	06	15GGD181251075024	7S60998	12-Sep	2005 Gillig	R/Eng	COU	20
002-46095	07	15GGD181X51075028	7U22577	20-Sep	2005 Gillig	R/Eng	COU	20
002-46327	08	15GGD181151075029	7U22578	19-Sep	2005 Gillig	R/Eng	COU	20
002-46457	09	15GGD181851075030	7U22579	17-Oct	2005 Gillig	R/Eng	COU	20
002-46562	10	15GGD181X51075031	7U22580	22-Oct	2005 Gillig	R/Eng	COU	20
002-46642	11	15GGD291141075020	8F32191	30-Oct	2004 Gillig	R/Eng	COU	28
002-46826	12	15GGD291151075021	8F32190	5-Nov	2005 Gillig	R/Eng	COU	28
002-47001	21	15GCD201XS1086929	8F32192	21-Nov	1995 Gillig	R/Eng	COU	36
002-45015	29	1N9EHAC891C084132	6M19608	17-Jul	2001 El Dorado	R/Eng	COU	28
002-44628	30	1N9EHAC801C084133	6M96052	26-Jun	2001 El Dorado	R/Eng	COU	28
002-44551	31	1N9EHAC821C084134	6M96051	20-Jun	2001 El Dorado	R/Eng	COU	28
002-44516	32	1N9EHAC841C084135	6M96050	18-Jun	2001 El Dorado	R/Eng	COU	28
002-44424	33	1N9EHAC861C084136	6M19748	12-Jun	2001 El Dorado	R/Eng	COU	28
002-44275	34	1N9EHAC881C084137	6M19749	1-Jun	2001 El Dorado	R/Eng	COU	28
002-45157	35	1N9EHAC8X1C084138	6M96054	30-Jul	2001 El Dorado	R/Eng	COU	28
002-45253	36	1N9EHAC811C084139	6M96053	27-Jul	2001 El Dorado	R/Eng	COU	28
002-45013	81	1N9EHAC831C084143	6M19746	23-Jul	2001 El Dorado	R/Eng	COU	28
002-44686	82	1N9EHAC811C084142	6M19745	29-Jun	2001 El Dorado	R/Eng	COU	28
002-45371	90	1N9EHAC841C084264	7P84451	31-Jul	2001 El Dorado	R/Eng	COU	28