1	BY AUTHORITY			
2	ORDINANCE NO	COUNCIL BILL NO. CR11-	0961	
3	SERIES OF 2012	COMMITTEE OF REFEREI	NCE:	
4	BUS	SINESS, WORKFORCE, & SUSTAINABI	LITY	
5	A BIL	<u>L</u>		
6 7 8 9	For an ordinance approving a proposed Agon of Denver and American Airlines, Inc. for services at Denver International Airport.			
10	BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:			
11	Section 1. The proposed Agreement between the City and County of Denver and American			
12	Airlines, Inc. in the words and figures contained and set forth in that form of Agreement available in			
13	the office and on the web page of City Council, and to be filed in the office of the Clerk and Recorder,			
14	Ex-Officio Clerk of the City and County of Denver, under City Clerk's Filing No. 2011-1020, is hereby			
15	approved.			
16	COMMITTEE APPROVAL DATE: December 23, 2011			
17	MAYOR-COUNCIL DATE: December 27, 2011			
18	PASSED BY THE COUNCIL:		<u>,</u> 2012	
19		PRESIDENT		
20	APPROVED:	MAYOR,	2012	
21 22 23	ATTEST:	CLERK AND RECORDER, EX-OFFICIO CLERK OF THE CITY AND COUNTY OF DENVER		
24	NOTICE PUBLISHED IN THE DAILY JOURNAL: _	, 2012;,	2012	
25	PREPARED BY: John Redmond, Assistant City Atte	orney DATE: December 29, 20	11	
26 27 28 29	Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed ordinance. The proposed ordinance is submitted to the City Council for approval pursuant to § 3.2.6 of the Charter.			
	the Charter.			
30	Douglas J. Friednash, City Attorney for the City and	County of Denver		

AGREEMENT

THIS AGREEMENT is made and entered into as of the date indicated on the signature page below, by and between the CITY AND COUNTY OF DENVER, a municipal corporation of the State of Colorado, (hereinafter referred to as the "CITY"), Party of the First Part, and AMERICAN AIRLINES, INC., a corporation organized and existing under and by virtue of the laws of the State of Delaware and authorized to do business in the State of Colorado (hereinafter referred to as the "AIRLINE"), Party of the Second Part;

WITNESSETH:

WHEREAS, the City owns and operates Denver International Airport, located within and without the City and County of Denver, State of Colorado (which airport is hereinafter called the "Airport"), and has the power to grant rights and privileges with respect thereto; and

WHEREAS, Airline desires to operate a conference room service in conjunction with its Club Room Space on Concourse A and charge an hourly fee to customers for the use of the Conference Rooms.

WHEREAS, the City agrees to allow Airline to use two rooms as depicted in Exhibit A as Conference Rooms; and

WHEREAS, the City agrees to grant permission to the Airline to offer such Conference Room services to customers at the Airport subject to the following conditions;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the City and Airline do hereby mutually undertake, promise and agree, each for itself and its successors and assigns, as follows:

- 1. <u>USE OF CONFERENCE ROOM SPACE</u>: Airline may use the Conference Room space, as depicted in Exhibits A-1 and A-2, as scheduled Conference Rooms for its customers, other Airlines and Tenants, and the City to be used as meeting or training space, and for no other purposes.
- 2. <u>ACTIVITIES PERMITTED</u>: The City hereby grants to the Airline the non-exclusive right and privilege to conduct a conference room service to its customers and to schedule Conference Room for its customers, for other airlines and airport tenants and to charge an hourly fee for this use. In addition, Airline agrees to schedule the City's use of the Conference Room at no charge. The City will not be charged for use of the Conference Room space.
- 3. <u>TERM</u>: The term of this Agreement shall commence on January 1, 2011 and shall continue on a month-to-month basis until terminated, in whole or in part, by either party.

Either party may terminate this Agreement upon giving 30 days notice for either space depicted in Exhibit A-1 or A-2, or both.

4. <u>COMPENSATION</u>: The Airline covenants and agrees to pay to the City, on or before the 10th day of the second month and each succeeding month of the term hereof and the 10th day of the month following the term hereof, \$35.00 for each hour of Conference Room sales. A signed statement in a form approved by the City's Manager of Aviation showing the number of Conference Room hours sold for the preceding calendar month shall in each case accompany the said payment. Payments shall be sent to: Airport Revenue Fund, Denver International Airport, P.O. Box 492065, Denver, Colorado 80249-2065, or at such other place in the City and County of Denver as the City may hereafter designate by notice in writing to the Airline, and shall be made in legal tender of the United States.

Any check given to the City shall be received by it subject to collection, and the Airline agrees to pay any charge incurred by the City for such collection. Any payments not made to the City when due shall accrue interest at the rate of 18% per annum from such due date.

It is understood and agreed by the Airline that the City may at any time during the term hereof, and in the absolute discretion of the City's Manager of Aviation, reestablish the hourly rate to be paid to the City as compensation hereunder, provided only that at least thirty days written notice shall be given to the Airline before a new rate goes into effect, and that said new rate shall be no higher than 5% of the rate paid the previous year.

5. <u>AIRLINE BOOKS AND RECORDS</u>: The Airline agrees that the Manager and the Auditor of the City or any of their duly authorized representatives, until the expiration of three (3) years after the termination of this Agreement, shall have the right, at any reasonable time and at their own expense, to have access to and the right to examine any books, documents, papers and records of the Airline pertinent to this Agreement. The Airline, upon request by either, shall make all such books and records available for examination and copying in Denver.

NOTICES:

All notices required to be given to the City hereunder shall be in writing and shall be sent by certified mail, return receipt requested, addressed to:

Manager of Aviation
Denver International Airport
8500 Peña Boulevard, AOB 9th Floor
Denver, Colorado 80249-6340

Property Management Section
and Manager, Airlines
Denver International Airport
8500 Peña Boulevard, AOB, 9th Floor
Denver, Colorado 80249-6340

All notices required to be given to the Airline hereunder shall be in writing and shall be sent by certified mail, return receipt requested, addressed to:

American Airlines, Inc.

Attn: V.P., Corporate Real Estate 4333 Amon Carter Blvd., MD 5317 Fort Worth, TX 76155

provided that the parties or either of them, may designate in writing from time to time the addresses of substitute or supplementary persons in connection with said notices. The effective date of service of any such notice shall be the date such notice is mailed to the Airline or said Manager.

- Airline agrees that its operations hereunder will be conducted so as to comply with the laws of the United States and the State of Colorado and the Ordinances and Charter of the City and County of Denver and it further agrees that its operations hereunder will be conducted in accordance with all general rules and regulations adopted by the City or its Manager of Aviation for the management, operation and control of Denver International Airport, either promulgated by the City or by said Manager on its or his own initiative or by or in compliance with regulations or actions of any federal agency authorized to regulate interstate flights to and from said Airport. The Airline further agrees to submit any report or reports or information regarding its operations hereunder that the City's Manager of Aviation or his authorized representative may request.
- 7. <u>TAXES, LICENSES</u>: The Airline covenants and agrees to pay promptly all taxes, excises, license fees and permit fees of whatever nature applicable to its operations hereunder, and to take out and keep current all licenses, municipal, state or federal, required for the conduct of its business or the operation of equipment, and further agrees not to permit any of said taxes, excises or license fees to become delinquent.
- harmless the City, its officers, and employees, from and against (A) any and all loss of or damage to property, or injuries to, or death of, any person or persons, including property and officers, employees and agents of the City; and (B) all claims, damages, suits, costs, expense, penalties, liability, actions or proceedings of any kind or nature whatsoever, of or by anyone whomsoever; which, with respect to clauses (A) and (B) hereof, in any way result from, or arise out of, Airline's operations in connection herewith, or its use or occupancy of any portion of the Airport and the acts, omissions, or wrongful conduct of officers, employees, agents, contractors or subcontractors of the Airline including without limitation, the provision or failure to provide security as herein required and the use, disposal, generation, transportation or release of pollutants, including but not limited to oil, glycol, toxic or hazardous materials at Denver International Airport by the Airline, its contractors, employees, agents, customers, or anyone claiming or acting by or through the Airline.

Airline further agrees that if a prohibited incursion into the Air Operations Area occurs, or the safety or security of the Air Operations Area, the Airfield, or other sterile area safety or security is breached by or due to the negligence or willful act or omission of any of Airline's employees, agents, or contractors and such incursion or breach results in a civil penalty action being brought against the City by the U.S. Government, Airline agrees to reimburse the City for

all expenses, including attorney fees, incurred by the City in defending against the civil penalty action and for any civil penalty or settlement amount paid by the City as a result of such incursion or breach of airfield or sterile area security. The City shall notify Airline of any allegation, investigation, or proposed or actual civil penalty sought by the U.S. Government for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this Paragraph include but are not limited to those paid or incurred as a result of violation of Transportation Security Administration (TSA) regulations, including 49 CFR, Subtitle B, Chapter XII, as it may be amended, or any similar law or regulations intended to replace or compliment such regulations.

Without limitation, the terms of this indemnity include an agreement by Airline to indemnify, defend and hold harmless the City from and against any and all expense, loss, claim, damage, or liability suffered by City by reason of Airline's breach of any environmental requirement existing under federal, state or local law, regulation, order or other legal requirement in connection with any of Airline's acts, omissions, operations or uses of property relating to this Agreement, or such a breach by the act or omission of any of Airline's officers, employees, agents, or invitees, whether direct or indirect, or foreseen or unforeseen, including (but not limited to) all cleanup and remedial costs actually and reasonably incurred to satisfy any applicable remediation obligation required by federal, state or local law, and reasonable legal fees and costs incurred by City in connection with enforcement of this provision, but excluding damages solely relating to diminution in value of City real property.

Provided however, the City agrees that (I) the Airline need not save harmless or indemnify the City against damage to or loss of property, or injury to or death of persons, caused by the negligence or willful acts of the City, its officers, employees, contractors and agents, and (II) the City will give prompt written notice to the Airline of any claim or suit and the Airline shall have the right to assume the defense and compromise or settle the same to the extent of its own interest. Provided, however, the indemnity provided for herein shall apply only to the extent the City is not reimbursed out of insurance proceeds.

At all times during the term of this Agreement, unless otherwise required by federal or state governmental law or regulation, the Airline is required and agrees, at its own cost and expense, to provide and keep in force for the benefit of the Airline and the City, a policy, or policies, of insurance written on a single limit each occurrence basis with limits of not less than Three Hundred Million Dollars (\$300,000,000.00) for bodily injury and property damage arising from any operation of the Airline at the Airport and contractual liability coverage. The Manager may increase the limit of insurance required when, in her discretion, she deems the amount stated herein is insufficient. The Manager may establish lesser amounts of insurance for Airlines operating exclusively with aircraft of thirty (30) seats or less.

Such insurance policy, or policies, and certificates of insurance evidencing the existence thereof shall cover all operations of the Airline at the Airport (except the coverage required and provided pursuant to federal or state law or regulation), shall be in a form and written by a company, or companies, approved by the City's Manager and shall insure the Airline's agreement to indemnify the City as set forth in the indemnification provisions hereof. The amount of insurance required hereunder shall in no way limit the liability of the Airline as provided in this Section 8 of this Agreement. The City shall not be named insured of said insurance. Each such

policy and certificate shall contain a special endorsement stating "This policy will not be materially changed or altered or canceled without first giving thirty (30) days written notice by certified mail, return receipt requested, to the Manager of Aviation, Denver International Airport, AOB- 9th Floor, 8500 Peña Boulevard, Denver, Colorado 80249-6340." All such policies of insurance, or certified copies thereof, together with receipts showing payment of premiums thereon, shall be made available for review by the City at such times and places as required by the Manager. Certificates of insurance evidencing the existence of said policies shall be delivered to and left in the possession of said Manager.

- 9. <u>COMPENSATION INSURANCE</u>: The Airline further covenants and agrees at all times to maintain adequate Workmen's Compensation Insurance (including occupational disease hazards) with an authorized insurance company, or through the Colorado State Compensation Insurance Fund, or through an authorized self- insurance plan approved by the State of Colorado, insuring the payment of compensation to all of its employees. The Airline agrees to provide the Manager certificates in number as required satisfactorily evidencing the existence of said Workmen's Compensation Insurance coverage; and, if required by said Manager, a certified copy of any such policy.
- 10. RIGHT OF INSPECTION: The City's Manager of Aviation and his duly authorized representatives shall have at any and all times the full and unrestricted right to inspect the Conference Room, and the right to do any and all things with reference thereto which the City is obligated to do as set forth herein, or which may be deemed necessary for the proper conduct and operation of Denver International Airport, or which may be necessary or proper in the exercise of the City's police power.
- 11. <u>NO DISCRIMINATION IN EMPLOYMENT</u>: In connection with the performance of work under this Agreement, the Airline agrees not to fail or refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation, terms, conditions or privileges of employment against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and the Airline further agrees to insert the foregoing provision in all subcontracts hereunder.
- AGREEMENT SUBORDINATE TO AGREEMENTS WITH UNITED STATES: This Agreement is subject and subordinate to the terms, reservations, restrictions and conditions of any existing or future agreements between the City and the United States, the execution of which has been or may be required as a condition precedent to the transfer of federal rights or property to the City for airport purposes and the expenditure of federal funds for the extension, expansion or development of Denver International Airport. The provisions of the attached Appendices Nos. 1, 2, 3, and 10 are incorporated herein by reference.
- 13. <u>PATENTS AND TRADEMARKS</u>: The Airline represents that it is the owner of or fully authorized to use any and all services, processes, machines, equipment, articles, marks, names or slogans used by it in its operations under or in anywise connected with this Agreement. The Airline agrees to save and hold the City, its officers, employees, agents and

representatives free and harmless of and from any loss, liability, cost, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Airline under or in any way connected with this Agreement.

- 14. <u>ASSIGNMENT</u>: The Airline shall not assign, sublet or transfer this Agreement, in whole or in part, without the prior written consent of the City's Manager of Aviation. Any attempt by the Airline to assign, sublet or in any way transfer any interest or right granted to it hereunder without the prior written consent of the Manager shall automatically terminate this Agreement and all rights of the Airline hereunder. Such consent may be granted or denied at the sole and absolute discretion of said Manager.
- 15. <u>AGREEMENT BINDING</u>: This Agreement, subject to the provisions of paragraph 15, "Assignment" hereof, shall be binding on and extend to the heirs, personal representatives, successors and assigns of the respective parties hereto.
- 16. <u>PARAGRAPH HEADINGS</u>: Paragraph headings contained herein are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement.
- 17. MASTER PLAN: The Airline agrees that no liability shall attach to the City, its officers, agents and employees by reason of any efforts or action toward implementation of any present or future master plan for Denver International Airport, and for and in consideration of the rights and privileges herein granted, Airline waives any right to claim damages or other consideration arising therefrom.
- that from time to time during the term of this Agreement, it will be necessary for the City to initiate and carry forward extensive programs of construction, reconstruction, expansion, relocation, maintenance and repair in order that Denver International Airport and its facilities may be suitable for the volume and character of air traffic and flight activity which will require accommodation, and that such construction, reconstruction, expansion, relocation, maintenance and repair may inconvenience the Airline in its operation at said Airport. The Airline agrees that no liability shall attach to the City, its officers, agents, employees, contractors, subcontractors and representatives by way of such inconveniences, and for and in further consideration of the premises, the Airline waives any right to claim damages or other consideration therefor.
- 19. PREVENTION OF LIENS: The Airline covenants and agrees not to permit any mechanic's or materialman's or any other lien to become attached or be foreclosed by reason of any work or labor performed or materials furnished by any mechanic or materialman. Airline agrees to furnish the City's Manager of Aviation, upon request, duplicate receipts or other satisfactory evidence showing the prompt payment by it of Social Security, unemployment compensation and Workmen's Compensation Insurance, all required licenses and all tales. The Airline further covenants and agrees to pay promptly when due all bills, debts and

obligations incurred by it in connection with its operation of said conference room services on the Airport, and not to permit the same to become delinquent and to suffer no lien, mortgage, judgment or execution to be filed against its machines or equipment or the proceeds therefrom which will in any way impair the rights of the City under this Agreement.

- **20.** <u>WAIVERS</u>: No waiver of default by the City of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Airline shall be construed as, or operate as, a waiver by the City of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by the Airline.
- 21. <u>AGREEMENT MADE IN COLORADO</u>: This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Colorado.
- 22. <u>BOND ORDINANCES</u>: This Agreement is in all respects subject and subordinate to any and all City bond ordinances applicable to Denver International Airport and to any other bond ordinances which should amend, supplement or replace such bond ordinances.
- 23. <u>NOT PARTNERSHIP</u>: Notwithstanding the provision herein contained for the payment by the Airline to the City of sums based upon a percentage of gross revenues as above provided, it is expressly understood and agreed that the City shall not be construed or held to be a partner, associate or joint venturer of the Airline in the conduct of its business, but the Airline shall at all times have the status of an independent contractor, without the right or authority to impose tort or contractual liability upon the City.
- 24. PERFORMANCE BOND: Except as otherwise provided by the City's Airport Rules and Regulations as they may be adopted or amended from time to time, upon execution of this Agreement, unless Airline has already done so pursuant to the Airport Use and Facilities Lease Agreement, executed May 24, 2005, as amended, the Airline shall deliver to the Manager for the City and County of Denver, and shall maintain in effect at all times during the term of this Agreement, including a period of six (6) months after expiration (or earlier termination of the letting of the Demised Premises hereunder) of said Agreement, a valid corporate Performance Bond, or an irrevocable Letter of Credit, in the amount of Three Million Dollars (\$3,000,000), or an amount equal to three (3) months of rent, rates, fees or charges payable under the Airport Use and Facilities Lease Agreement and this Agreement, whichever is less, payable without condition to the City and County of Denver, with surety acceptable to and approved by the City's Manager, which bond or irrevocable letter of credit shall guarantee to the City full and faithful performance of all of the terms and provisions of this Agreement to be performed by the Airline.

Notwithstanding the foregoing, if at any time during the term hereof, said Manager reasonably deems the amount of the surety insufficient to properly protect the City from loss hereunder because the Airline is or has been in arrears with respect to such obligations or because the Airline has, in the reasonable opinion of the Manager, violated other terms of this Agreement, the Airline agrees that it will, after receipt of notice, increase the surety to an amount required by said Manager; provided however, the percentage increase in the amount of

surety shall not exceed the annual percentage increase that has occurred with respect to the Airline's rental and fee rates in effect under this Agreement.

- 25. <u>SECURITY</u>: The Airline shall cause its officers, agents and employees to comply with any and all existing and future security regulations adopted by the City pursuant to Part 107, Federal Air Regulations of the Federal Aviation Administration, as they may be amended from time to time.
- 26. <u>THIRD PARTIES</u>: This Agreement does not and shall not be deemed or construed to confer upon or grant to any third party or parties any right to claim damages or to bring any suit, action or other proceeding against either the City or the Airline because of any breach hereof or because of any of the terms, covenants, agreements and conditions herein contained.
- 27. <u>ADMINISTRATIVE HEARING</u>: Disputes arising under or related to this Agreement or the work which is the subject of this Agreement shall be resolved by administrative hearing which shall be conducted in accordance with the procedures set forth in Section 5-17, Revised Municipal Code of the City and County of Denver. The parties hereto agree that the Manager's determination resulting from said administrative hearing shall be final, subject only to Airline's right to appeal the determination under Colorado Rules of Civil Procedure, Rule 106.
- 28. OPEN RECORDS ACT: Airline understands that certain material provided or produced under this Agreement may be subject to the Colorado Open Records Act, C.R.S. § 24-72-201, et seq. In the event of a request to the City for disclosure of such information, the City shall advise Airline of such request and give Airline the opportunity to object to the disclosure of any of material Airline may consider confidential or proprietary. In the event of the filing of a lawsuit to compel disclosure, the City will tender all such material to the court for judicial determination of the issue of disclosure and Airline agrees it will either intervene in such lawsuit to protect materials Airline does not wish disclosed, or waive any claim of privilege or confidentiality. If Airline chooses to intervene in such a lawsuit and oppose disclosure of any materials, Airline agrees to defend, indemnify, and save and hold harmless the City, its officers, agents, and employees, from any claim, damages, expense, loss or costs arising out of Airline's intervention including, but not limited to, prompt reimbursement to the City of all reasonable attorney fees, costs and damages that the City may incur directly or may be ordered to pay by such court.
- 29. ENTIRE AGREEMENT: The parties acknowledge and agree that the provisions contained herein constitute the entire agreement and that all representations made by any officer, agent or employee of the respective parties unless included herein are null and void and of no effect. No alterations, amendments, changes or modifications, unless expressly reserved to the Manager herein, shall be valid unless executed by an instrument in writing by all the parties with the same formality as this Agreement.
- 30. <u>FINAL APPROVAL</u>: This Agreement is expressly subject to and shall not be or become effective or binding on the City, until approved by the Denver City Council and fully executed by all signatories of the City and County of Denver.

[END OF PAGE]

Contract Control Number:	201101392	
Vendor Name:	American Airlines, Inc.	
IN WITNESS WHEREOF, the pa Denver, Colorado as of	rties have set their hands and affixed their seals at	
SEAL	CITY AND COUNTY OF DENVER	
ATTEST:	By	
APPROVED AS TO FORM:	REGISTERED AND COUNTERSIGNED:	
DOUGLAS J. FRIEDNASH, At for the City and County of Den		
	Ву	
Ву		
	By	



Contract Control Number: 201101392		
Vendor Name:	American Airlines, Inc.	
g æ	Ву:	
	Y. Amanda Zhang Name: Senior Principal, Properties (please print)	
	Title:(please print)	
4	ATTEST: [if required]	
1	Ву:	
ז	Name:(please print)	
ו	Title: (please print)	



APPENDIX 1

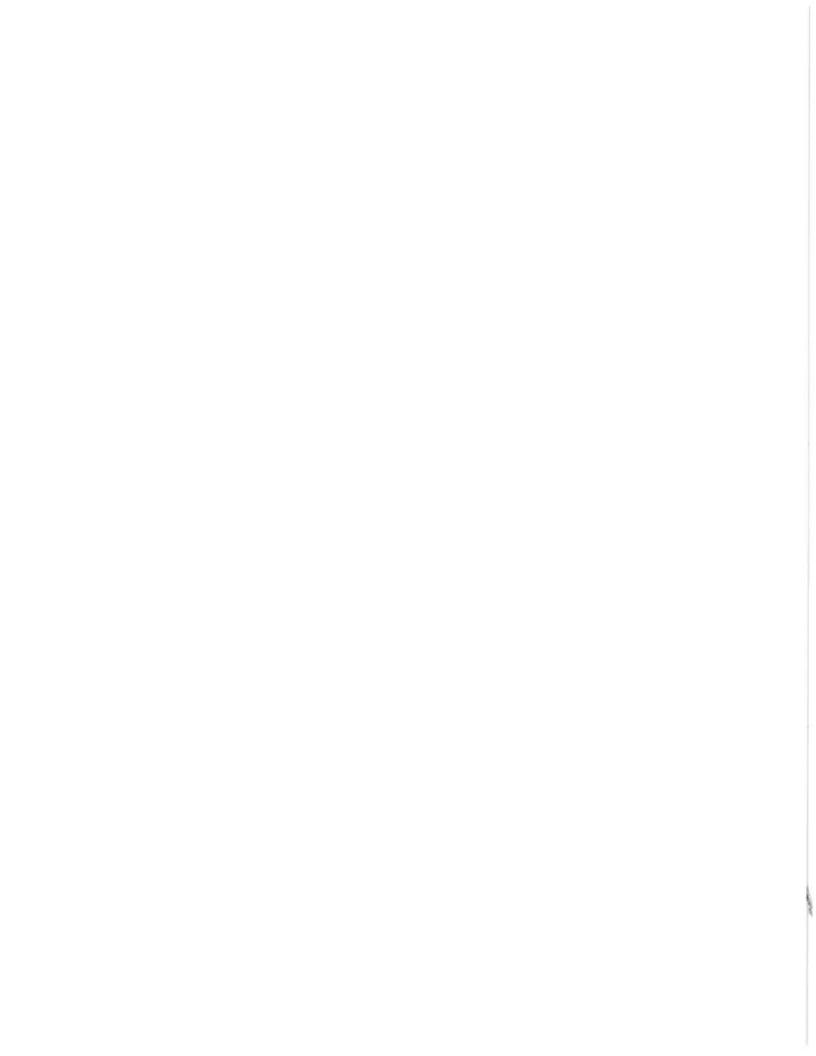
STANDARD FEDERAL ASSURANCES

NOTE: As used below the term "contractor" shall mean and include the "Party of the Second Part," and the term "sponsor" shall mean the "City".

During the term of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

- 1. Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
- 2. Nondiscrimination. The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- 3. Solicitations for Subcontractors, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
- 4. Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor of the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
- 5. Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or

- b. Cancellation, termination, or suspension of the contract, in whole or in part.
- 6. Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.



APPENDIX NO. 2

STANDARD FEDERAL ASSURANCES

NOTE: As used below, the term "DOT" means the United States Department of Transportation.

- 1. The Party of the Second Part for itself, representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Party of the Second Part shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
- 2. The Party of the Second Part for itself, representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land: (1) that no person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Party of the Second Part shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

APPENDIX NO. 10

DISADVANTAGED BUSINESS ENTERPRISES - REQUIRED STATEMENTS

<u>Policy</u>. It is the policy of the Department of Transportation that disadvantaged business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this agreement. Consequently, the ACDBE requirements of 49 CFR Part 23 apply to this agreement.

ACDBE Obligation. The recipient or its contractor agrees to ensure that disadvantaged business enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds provided under this agreement. In this regard, all recipients or contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors shall not discriminate on the basis of race, color, sex, creed or national origin in the award and performance of DOT-assisted contracts.

49 CFR 23.5 defines a DOT-assisted contract as "any contract or modification of a contract between a recipient and a contractor which is paid for in whole or in part with DOT financial assistance or any contract or modification of a contract between a recipient and a lessee." "Contractor" means ... "and includes lessees." The City is the "recipient."

