

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2012

COUNCIL BILL NO. CB12-0130
COMMITTEE OF REFERENCE:
BUSINESS, WORKFORCE, & SUSTAINABILITY

A BILL

For an ordinance approving a proposed Agreement between the City and County of Denver and Icelandair for Advertising, Marketing and Promotional Services at Denver International Airport.

BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

Section 1. The proposed Agreement between the City and County of Denver and Icelandair in the words and figures contained and set forth in that form of Agreement available in the office and on the web page of City Council, and to be filed in the office of the Clerk and Recorder, Ex-Officio Clerk of the City and County of Denver, under City Clerk's Filing No. 2012-0103, is hereby approved.

COMMITTEE APPROVAL DATE: February 17, 2012

MAYOR-COUNCIL DATE: February 21, 2012

PASSED BY THE COUNCIL: _____, 2012
_____ - PRESIDENT

APPROVED: _____ - MAYOR _____, 2012

ATTEST: _____ - CLERK AND RECORDER,
EX-OFFICIO CLERK OF THE
CITY AND COUNTY OF DENVER

NOTICE PUBLISHED IN THE DAILY JOURNAL: _____, 2012; _____, 2012

PREPARED BY: Helen E. Berkman, Assistant City Attorney ^{LHE} DATE: February 23, 2012

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.

Douglas J. Friednash, City Attorney for the City and County of Denver

BY: _____, Assistant City Attorney DATE: February 23, 2012



**AGREEMENT FOR
PROFESSIONAL SERVICES**

BETWEEN

THE CITY AND COUNTY OF DENVER

AND

ICELANDAIR

FOR

**ADVERTISING AND PROMOTIONAL SERVICES
FOR DENVER INTERNATIONAL AIRPORT**

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is entered into as of the date indicated on the City signature page between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado on behalf of its Department of Aviation (the "City"), Party of the First Part, and **ICELANDAIR EHF**, a certified air carrier with its principal place of business in Reykjavikurflugvollur, Reykjavik, Iceland, with company number: 461202-3490 (the "Airline"), Party of the Second Part.

WITNESSETH:

WHEREAS, the City owns and operates "Denver International Airport" (DIA); and

WHEREAS, Airline intends to commence additional regular passenger service at DIA on or about May 10, 2012; and

WHEREAS, the City wishes to obtain professional services to specifically promote public and industry awareness and use of DIA facilities and Airline's new regular passenger services between Reykjavik and Denver; and

WHEREAS, the Airline is ready, willing and able to provide the professional services required by the City, and to perform the services called for hereunder subject to the conditions hereinafter set out;

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

1. **LINE OF AUTHORITY:** The City's Manager of Aviation (hereinafter referred to as "Manager") is responsible for authorizing and approving the services performed under this Agreement. The Manager hereby delegates her authority over the work described herein to the Aviation Department's Strategic Advisor, as the Manager's authorized representative for the purpose of administering, coordinating and approving work performed by the Airline under this Agreement, except for matters specifically reserved to the Manager in this Agreement. The Manager may change her authorized representative at any time by providing Airline with written notice of such change.

2. **SCOPE OF SERVICES:** The Airline agrees that it will provide to the City a comprehensive marketing strategy in writing, and that upon approval of the strategy by the City, and approval by the City of the amount or amounts to be paid by the City for the publications, events, materials, advertising campaigns, marketing programs, and advertisements, the Airline will promptly undertake, perform and furnish the services hereinafter described in this Agreement including the following tasks:

- A. Initiation and implementation of promotional events, advertising campaigns and marketing programs directed toward promoting public and industry awareness of the new services offered by Airline at DIA, in a manner consistent with advertising norms and customs in the United States.
- B. Development of support materials promoting the benefits of DIA to targeted travelers in specific markets selected by Airline, highlighting Denver and DIA as the international gateway to the Rocky Mountain region; and, highlighting the characteristics making DIA the gateway of choice for the region for an increasing number of passengers.

Nothing in this Agreement shall preclude the Airline from undertaking any advertising, marketing, or promotional program that it, in its sole discretion, deems appropriate. It is agreed, however, that if the particular advertising, marketing or promotional activity is not approved by the City pursuant to this Agreement, it will not be included in the Airline's invoices to the City.

3. **NATURE OF SERVICES TO BE PERFORMED:** The Airline shall consult with and receive the approval of the City in the development of the campaign, promotional events, advertising, and marketing program consistent with the requirements of this Agreement, and agrees to diligently and professionally perform all the work described herein, and provide services consistent with the following:

A. **Publications:** The Airline agrees that when printed materials are used, the name "Denver International Airport," with or without its logo, shall appear prominently on the material.

(1) **Collateral.** The Airline may produce and distribute brochures promoting the benefits of DIA to targeted travelers in specific markets selected by the Airline, highlighting Denver and DIA as the international gateway to the Rocky Mountain region; and, highlighting the characteristics making DIA the gateway of choice for the region for an increasing number of passengers.

(2) **Direct Mail.** The Airline may produce and distribute a direct mail piece for distribution in Denver to announce the Airline's new non-stop service at DIA.

(3) **Press Kits.** The Airline may create a press kit to be distributed to the media featuring the Airline's new service at DIA.

B. **Promotional Events:** The Airline agrees that when special events, promotions or receptions are selected as the promotional vehicle, the Manager shall be involved in approving targeted audiences.

C. **Advertising Campaign:** The Airline agrees that for any advertising created for this purpose, the name "Denver International Airport" shall appear prominently in any such

advertising. The Airline will produce and implement an advertising campaign related to the new service planned at DIA. This campaign should include, but is not limited to, print and media costs associated with advertising projects which promote DIA and the Airline's new service both to the traveling public and to trade members of the airline industry.

D. Placement of Advertising: The Airline shall place no advertisement created pursuant to this Agreement in any media without the prior written approval by the Manager of the content and placement of the advertisement. Nothing in this Agreement shall preclude the Airline from undertaking any advertising, marketing, or promotional program that it, in its sole discretion, deems appropriate. It is agreed, however, that if the particular advertising, marketing or promotional activity is not approved by the City pursuant to this Agreement, it will not be included in the Airline's invoices to the City.

E. Use of Funds: Funds provided under this Agreement may be used for other advertising, special events, promotional items, or marketing activities only with the prior written approval of the Manager.

4. **COMPENSATION AND FEES:**

A. Compensation for Services: The City agrees to pay to the Airline, and the Airline agrees to accept as its sole compensation for its complete costs incurred and services rendered hereunder, amounts approved in advance pursuant to this Agreement, to reimburse the Airline for certain costs incurred in undertaking the development of the campaign or promotional event, placing and publishing advertising, and developing a marketing program, consistent with the requirements of this Agreement. All such sums shall be paid subject to these provisions and to the refund and surety provisions of Section 19 of this Agreement.

B. Prorata Compensation: The compensation stated herein will be prorated to reflect less than daily new passenger service between Reykjavik and Denver. In the event the frequency of service is adjusted by Airline during the Term of the Agreement, the compensation stated herein will be adjusted accordingly, provided the service is not discontinued or reduced to less than three times per week.

C. Invoices: The Airline shall submit monthly invoices for payment, which shall be stated in U.S. dollars, and which shall include the following items:

- (1) The date and nature of the services rendered.
- (2) Adequate documentation to support the invoice, including documentation of the content of any advertisements placed and published pursuant to this Agreement, and currency exchange rate calculation for any services paid in krona, which calculation shall be based on USD/ISK Mid-rate as reported by the Central Bank of Iceland for the date of the transaction, or corresponding calculation for any services paid in currency other than USD or ISK, and

- (3) The signature of an authorized officer of the Airline, certifying that the invoice has been examined and has been found to be correct.

The Airline shall promptly provide on request from the City additional supporting documentation in connection with any invoice submitted by the Airline for payment under this Agreement.

5. **PAYMENT FOR PARTIAL SERVICES:** If the Agreement is terminated without cause pursuant to paragraph 19A, the Airline's total compensation shall be limited to the sum of invoices which have already been submitted, audited and approved at the time of termination, plus the reasonable value of those costs and services which have been incurred and rendered prior to termination, but have not been approved for payment at the time of termination. The reasonable value of any such subsequent billed cost or service shall be determined in the sole discretion of the Manager of Aviation. If upon termination any amounts are due and owing to Airline under this Agreement, Airline agrees that the City shall be entitled to offset amounts due and owing to Airline under this Agreement against any amounts due and owing from Airline for landing fees under the Landing Fees Incentive Agreement.

6. **MAXIMUM CONTRACT LIABILITY:** Any other provisions of this Agreement notwithstanding, in no event shall the City be liable for payment under this Agreement for any amount in excess of the following amounts based upon the number of flights operated per week, which amounts are prorated amounts of the total marketing incentive available for daily service (seven days per week) for a full 24 months:

<u>Freq/Week</u>	<u>Maximum Amount</u>		<u>Total</u>
	<u>First Year</u>	<u>Second Year</u>	
7x	\$1,000,000	\$500,000	\$1,500,000
6x	\$ 857,143	\$428,572	\$1,285,715
5x	\$ 714,286	\$357,143	\$1,071,429
4x	\$ 571,429	\$285,714	\$ 857,143

The current published schedule is four times a week. If the service is adjusted during the Term of this Agreement, the Maximum Amount shall be adjusted accordingly, provided the service is not discontinued or reduced to less than three times per week.

7. **CONTRACT FUNDING:** All payments under this Agreement shall be paid exclusively from the City's "City and County of Denver, Airport Revenue Fund" and from no other fund or source. The City is not under obligation to make any future apportionment or allocation to said fund.

8. **TERM:** The term of this Agreement shall commence on April 1, 2012, and shall terminate on March 31, 2014 unless sooner terminated as provided for herein.

9. **TERMINATION; REFUND OF PAYMENTS:**

A. Termination: Either party may cancel and terminate this Agreement without cause by giving not less than thirty (30) days prior written notice to the other party, and may cancel and terminate this Agreement with cause by giving not less than ten (10) days prior written notice to the other party. Any such notice shall state the effective date of such cancellation and termination. If the Manager elects to cancel or terminate the Agreement, immediately upon receipt of the notice, the Airline shall cease all further work, take all reasonable and necessary steps or procedures to curtail and hold additional cost occurrence to a minimum, and commence an orderly termination of the Agreement.

B. Refund of Payments: If the City terminates this Agreement for cause, including but not limited to if the Airline does not initiate and operate regularly scheduled passenger service at DIA, commencing on or about May 10, 2012, and continuing at least three times per week for a period of not less than twenty-four consecutive months, *then* all amounts paid to the Airline by the City under this Agreement shall be refunded to the City within 30 days of the date of the notice of termination. This provision shall survive the termination of this Agreement or expiration of the Term.

10. **OWNERSHIP OF WORK PRODUCT**: Each party agrees that it has no ownership interest in and will not infringe or interfere with any trademark, servicemark, symbol, logo, trade dress or intellectual property of the other party, but may use such upon the express written permission of the party owning the protected property. It is understood and agreed that all drawings, promotion media and other documents which are created by the Airline shall remain the property of the Airline, and the City may use such drawings, promotion media or other documents with the express written permission of the Airline; however, the Airline shall not be held liable for damage resulting from any use of said documents other than the original intended use.

11. **ADVERTISING AND PUBLIC DISCLOSURES**: The Airline shall not include any reference to this Agreement or to work performed hereunder in any of its advertising or public relations materials without first obtaining the written approval of the Manager of Aviation. Any oral presentation or written materials related to Denver International Airport shall include only presentation materials, work product, designs, renderings and technical data that have been accepted by the City. The Manager shall be notified at least seven (7) days in advance of the date and time of any such presentations. Nothing herein, however, shall preclude the transmittal of any information to officials of the City, including without limitation, the Mayor, the Manager of Aviation, any member or members of City Council, and the Auditor.

12. **COORDINATION AND LIAISON**: The Airline agrees that during the term of this Agreement it shall fully coordinate all services with the Manager of Aviation.

13. **INDEMNIFICATION**: The Airline hereby agrees to release, indemnify and save harmless the City, its officers, agents and employees from any and all claims, damages, suits, costs, expenses, liability, actions or procedures of any kind or nature whatsoever, including Worker's Compensation claims, of or by anyone whomsoever in any way resulting from or

arising out of, directly or indirectly, its work hereunder, its operations in connection herewith, or its use or occupancy of any portion of the City's Airport System, including acts and omissions of the Airline's officers, employees, representatives, suppliers, invitees, contractors and agents; provided however, that the Airline need not release, indemnify or save harmless the City, its officers, agents and employees from damages resulting from the sole negligence of the City's officers, agents and employees.

14. **INSURANCE:** The Airline shall obtain and keep in force during the entire term of this Agreement, all of the insurance policies described in the City's form of insurance certificate which is attached to this Agreement as Exhibit "A" and incorporated herein. Such insurance coverage includes workers' compensation and employer liability, commercial general liability (including advertising liability coverage), business automobile liability, umbrella liability and professional liability.

Upon execution of this Agreement, the Airline shall submit to the City a fully completed and executed original of the attached insurance certificate form, which specifies the issuing company or companies, policy numbers and policy periods for each required coverage.

The City's acceptance of any submitted insurance certificate is subject to the approval of DIA's Risk Management Administrator. The Risk Management Administrator shall enforce all coverage requirements specified in the certificate unless waived or otherwise modified in writing. The Airline shall comply with all conditions and requirements set forth in the insurance certificate for each required coverage during all periods in which coverage is in effect.

Unless specifically excepted in writing by the Risk Management Administrator, the Airline shall include all subconsultants performing services hereunder as insureds under each required policy or shall furnish a separate certificate (on the form certificate provided), with authorization letter(s) for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements set forth in the form certificate and the Airline shall insure that each subconsultant complies with all of the coverage requirements.

The parties hereto understand and agree that the City and County of Denver, its officers, officials and employees, are relying on, and do not waive or intend to waive by any provisions of this agreement, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 to 120, C.R.S., or otherwise available to the City and County of Denver, its officers, officials and employees.

15. **STATUS OF AIRLINE:** It is understood and agreed by and between the parties hereto that the status of the Airline shall be that of an independent contractor retained on a contractual basis to perform professional or technical services for limited periods of time as described in Section 2.11.3(C) of the Charter of the City, and it is not intended nor shall it be construed that the Airline, its employees or subcontractors are employees or officers of the City under Chapter 18 of the Revised Municipal Code or for any purpose whatsoever.

16. NO EMPLOYMENT OF ILLEGAL ALIENS. The Agreement is subject to Article 17.5 of Title 8, Colorado Revised Statutes, and Den. Rev. Mun. Code 20-90 and Airline is liable for any violations as provided in said statute and ordinance.

(a) The Airline certifies that:

At the time of its execution of this Agreement, it does not knowingly employ or contract with an illegal alien who will perform work in the U.S. under this Agreement.

It will participate in the E-Verify Program, as defined in § 8-17.5-101(3.7), C.R.S., to confirm the employment eligibility of all employees who are newly hired for employment to perform work in the U.S. under this Agreement.

(b) The Airline also agrees and represents that:

It shall not knowingly employ or contract with an illegal alien to perform work in the U.S. under the Agreement.

It shall not enter into a contract with a subcontractor or subconsultant that fails to certify to the Airline that it shall not knowingly employ or contract with an illegal alien to perform work in the U.S. under the Agreement.

It has confirmed the employment eligibility of all employees who are newly hired for employment to perform work in the U.S. under this Agreement, through participation in the E-Verify Program.

It is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing its obligations under the Agreement and it has complied with all federal requirements regarding the use of the E-Verify program, including, by way of example, requirements related to employee notification and preservation of employee rights.

If it obtains actual knowledge that a subcontractor or subconsultant performing work in the U.S. under the Agreement knowingly employs or contracts with an illegal alien, it will notify such subcontractor and the City within three days. The Consultant will also then terminate such subcontractor or subconsultant if within three days after such notice the subcontractor or subconsultant does not stop employing or contracting with the illegal alien, unless during such three day period the subcontractor or subconsultant provides information to establish that the subcontractor or subconsultant has not knowingly employed or contracted with an illegal alien.

It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S. or the City Auditor under authority of Den. Rev. Mun. Code 20-90.3.

17. NO THIRD PARTY BENEFICIARIES: The enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to the City and Airline, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person on such Agreement. It is the express intention of the City and the Airline that subconsultants and any other person other than

the City or the Airline receiving any benefits from this Agreement shall be deemed to be incidental beneficiaries only.

18. **ASSIGNMENT:** The Airline covenants and agrees that it will not assign or transfer its rights hereunder. Any attempt by the Airline to assign or transfer its rights hereunder shall automatically terminate this Agreement and all rights of the Airline hereunder.

19. **EXAMINATION OF RECORDS:** 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 final payment under this Agreement, shall have access to and the right to examine any books, documents, papers and records of Airline in support of the payments or related to the costs and expenses incurred under this Agreement. The Airline, upon request by either, shall make such books and records available for examination and copying in Denver.

20. **FEDERAL PROVISIONS:** 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 Appendix No. 1 are incorporated herein by reference.

21. **NOTICES:** Notices concerning termination of this Agreement, notices of alleged or actual violations of the terms or provisions of this Agreement, and other notices shall be made as follows:

By Airline to: Manager of Aviation
 Airport Office Building, 9th Floor
 Denver International Airport
 8500 Peña Boulevard
 Denver, Colorado 80249

By City to: Icelandair Head Office
 Marketing & Business Development
 C/O Gudmundur Oskarsson
 Reykjavik Airport
 101 Reykjavik
 Iceland - IS

Such notices shall be delivered personally during normal business hours to the appropriate office, above, or by prepaid U.S. Certified Mail, Return Receipt Requested. Mailed notices shall be deemed effective upon deposit with the U.S. Postal Service. The parties may from time to time designate substitute addresses or persons where and to whom such notices are to be mailed or delivered but such substitutions shall not be effective until actual receipt of written notification.

22. **NON-DISCRIMINATION:** In connection with the performance of work under this Agreement, Airline agrees not to refuse to hire, nor to discharge, promote or demote, nor to otherwise discriminate in matters of compensation 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 Airline further agrees to insert the foregoing provision in all subcontracts hereunder.

23. **DISPUTES:** It is agreed and understood by the parties hereto that disputes arising under or related to 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 the right of the parties to appeal the determination under Colorado Rule of Civil Procedure 106.

24. **BOND ORDINANCES:** 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.

25. **AGREEMENT MADE IN COLORADO; VENUE:** This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Colorado. Venue for any action arising hereunder shall be in Denver, Colorado.

26. **PROMPT PAYMENT:** Payments under this Agreement will be made to the Airline in accordance with the City's Prompt Payment Ordinance, D.R.M.C., Section 20-107, et seq., Denver Revised Municipal Code, subject to the Maximum Contract Liability set forth herein. Payments shall be based upon monthly invoices and receipts submitted by Airline in accordance with the provision of this Agreement and that have been audited and approved by the City. The Airline agrees that interest and late fees shall be payable by the City hereunder only to the extent authorized and provided for in the City's Prompt Payment Ordinance. For any subcontractor or subconsultant engaged by Airline under this Agreement, the Airline is subject to Section 20-112, D.R.M.C., requiring the Airline to pay its subconsultants in a timely fashion. A payment is timely if it is mailed to the subconsultant no later than seven days after receipt of any payment from City.

27. **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 herein, shall be valid unless executed by an instrument in writing by all the parties with the same formality as this agreement.

28. **CITY EXECUTION OF AGREEMENT:** This Agreement is expressly subject to and shall not be or become effective or binding on the City until after execution by all signatories of the City and until a fully executed copy has been delivered to the Airline.

IN WITNESS WHEREOF, the parties have hereunto set their hands and affixed their seals at Denver, Colorado as of the date indicated on the City signature page.

Contract Control Number: _____

Vendor Name: **ICELANDAIR**

By: _____

Name: _____
(please print)

Title: _____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

APPENDIX NO. 1

STANDARD FEDERAL ASSURANCES AND NONDISCRIMINATION

NOTE: As used below the term "contractor" shall mean and include the Airline, 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, sex, 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.

7. The Airline 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 Airline 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.

8. The Airline 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 Airline 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.

9. NONDISCRIMINATION IN AIRPORT EMPLOYMENT OPPORTUNITIES

The Airline assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance.

It is unlawful for airport operators and their lessees, tenants, concessionaires and contractors to discriminate against any person because of race, color, national origin, sex, creed, or handicap in public services and employment opportunities.

**CITY AND COUNTY OF DENVER
CERTIFICATE OF INSURANCE FOR DEPARTMENT OF AVIATION**

Original COI

Advice of Renewal

Change

Party to Whom this Certificate is Issued:

Name and Address of Insured:

CITY AND COUNTY OF DENVER
Manager of Aviation
Denver International Airport
8500 Peña Boulevard, Room 8810
Denver CO 80249

CONTRACT NAME & NUMBER TO WHICH THIS INSURANCE APPLIES: 201103737 – Iceland Air Marketing Incentive Agreement

I. MANDATORY COVERAGE

Colorado Workers' Compensation and Employer Liability Coverage

Coverage: COLORADO Workers' Compensation

Minimum Limits of Liability (In Thousands)

WC Limits: \$100, \$500, \$100

And Employer's Liability Limits:

Any Policy issued under this section must contain, include or provide for the following:

1. All States Coverage or Colorado listed as a covered state for the Workers' Compensation
2. Waiver of Subrogation and Rights of Recovery against the City and County of Denver (the "City"), its officers, officials and employees.

Commercial General Liability Coverage

Coverage: Commercial General Liability (coverage at least as broad as that provided by ISO form CG0001 or equivalent)

Minimum Limits of Liability (In Thousands):

Each Occurrence:	\$1,000
General Aggregate Limit:	\$2,000
Products-Completed Operations Aggregate Limit:	\$2,000
Personal & Advertising Injury:	\$1,000
Fire Damage Legal - Any one fire	\$1,000

Any Policy issued under this section must contain, include or provide for the following:

1. City, its officers, officials and employees as additional insureds, per ISO form CG2010 and CG 2037 or equivalents.
2. Coverage for defense costs of additional insureds outside the limits of insurance, per CG0001.
3. Liability assumed under an Insured Contract (Contractual Liability).
4. The full limits of coverage must be dedicated to apply to this project/location, per ISO form CG2503 or equivalent.
5. Waiver of Subrogation and Rights of Recovery, per ISO form CG2404 or equivalent.
6. Separation of Insureds Provision required
7. General Aggregate Limit Applies Per: Policy ___ Project ___ Location ___, if applicable

Business Automobile Liability Coverage

Coverage: Business Automobile Liability (coverage at least as broad as ISO form CA0001)

Minimum Limits of Liability (In Thousands): Combined Single Limit \$1,000

Any Policy issued under this section must contain, include or provide for the following:

1. Symbol 1, coverage for any auto. If no autos are owned, Symbols 8 & 9, (Hired and Non-owned) auto liability.
2. If this contract involves the transport of hazardous cargo such as fuel, solvents or other hazardous materials may occur, then Broadened Pollution Endorsement, per ISO form CA 9948 or equivalent and MCS 90 are required.

II. ADDITIONAL COVERAGE

Umbrella Liability

Coverage:

Umbrella Liability, Non Restricted Area Minimum Limits of Liability (In Thousands)	Each Occurrence and aggregate	\$1,000
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Any Policy issued under this section must contain, include or provide for the following:

1. City, its officers, officials and employees as additional insureds.
2. Coverage in excess of, and at least as broad as, the primary policies in sections WC-1, CGL-1, and BAL-1.
3. If operations include unescorted airside access at DIA, then a \$9 million Umbrella Limit is required.

Standard Professional Liability

Coverage: Professional Liability

Minimum Limits of Liability (In Thousands)	Per Claim	\$1,000
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Any Policy issued under this section must contain, include or provide for the following:

1. Policies written on a claims-made basis must remain in force in accordance with CRS 13-80-104.
2. Any cancellation notice required herein may be provided by either Certified or Regular Mail.
3. Coverage must extend, by endorsement or otherwise, to cover the full scope of all environmental work performed under the insured's contract with the City.

III. ADDITIONAL CONDITIONS

It is understood and agreed, for the benefit of the City, that the following additional conditions shall apply to all coverage specified herein

- All coverage provided herein shall be primary and any insurance maintained by the City shall be considered excess.
- With the exception of professional liability and auto liability, a Waiver of Subrogation and Rights of Recovery against the City, its officers, officials and employees is required for each coverage period.
- The City shall have the right to verify or confirm, at any time, all coverage, information or representations contained herein, and the insured and its undersigned agent shall promptly and fully cooperate in any such audit the City may elect to undertake.
- Advice of renewal is required.
- All insurance companies issuing policies hereunder must carry at least an A-VI rating from A.M. Best Company or obtain a written waiver of this requirement from the City's Risk Administrator.
- Compliance with coverage requirement by equivalent herein must be approved in writing by the City's Risk Administrator prior to contract execution.
- No changes, modifications or interlineations on this Certificate of Insurance shall be allowed without the review and approval of the Risk Administrator prior to contract execution.

NOTICE OF CANCELLATION

It is understood and agreed that should any Policy issued hereunder be cancelled or non-renewed before the expiration date

thereof, or sustain a material change in coverage adverse to the City, the issuing company or its authorized Agent shall give notice to the Department of Aviation in accordance with policy provisions.

Contract Control Number: PLANE-201103737-00

Contractor Name: ICELANDAIR EHF

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

DOUGLAS J. FRIEDNASH, Attorney
for the City and County of Denver

By _____

By _____

By _____



IN WITNESS WHEREOF, the parties have hereunto set their hands and affixed their seals at Denver, Colorado as of the date indicated on the City signature page.

Contract Control Number: 201103737

Vendor Name: ICELANDAIR

By: *Gösta*

Name: GUOMUNDUR OSKARSSON
(please print)

Title: Director Mktg & Business Dev.
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)