

OFF-AIRPORT RENTAL CAR BUSINESS PERMIT

(Supplementing Operating Permit No. _____)

by and between

RELAYRIDES, INC.
as Permittee

and

CITY AND COUNTY OF SAN FRANCISCO,
ACTING BY AND THROUGH ITS AIRPORT COMMISSION

Edwin M. Lee
Mayor

AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

John L. Martin
Airport Director

_____, 20__

Business Permit No. 4336

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- Appendix A – Airport Commission Resolution No. 04-0153**
- Exhibit A-1 – Form of Performance Bond for Airport Leases/Permits**
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OFF-AIRPORT RENTAL CAR BUSINESS PERMIT
OF RELAYRIDES, INC.
AT SAN FRANCISCO INTERNATIONAL AIRPORT

TERM SUMMARY

For the convenience of Permittee and City (as such terms are defined below), this Major Permit Term Summary (this "Summary") summarizes certain terms of this Permit (as defined below). This Summary is not intended to be a detailed or complete description of this Permit and reference must be made to the other Sections below for the particulars of this Permit. In the event of any inconsistency between the terms of this Summary and any other provisions of this Permit, such other provisions shall prevail. Capitalized terms used elsewhere in this permit and not defined elsewhere shall have the meanings given them in this summary.

Reference Date: OCT 29 2013, 2013

Permittee: RelayRides, Inc.
A Delaware Corporation

Permittee's Notice Address: 116 Natoma St.
San Francisco, CA 94105
Att'n: CEO
Tel. No. 415-671-6719

City: The City and County of San Francisco, a municipal corporation,
acting by and through its Airport Commission

City's Notice Address: San Francisco International Airport
International Terminal, 5th Floor
P. O. Box 8097
San Francisco, CA 94128
Att'n: Airport Director
Fax No. (650) 821-5005
Tel. No. (650) 821-5000

City's Payment Address: San Francisco International Airport
(§ 5) 575 North McDonnell Road, Second Floor
Att'n: Accounting
P. O. Box 7743
San Francisco, CA 94120

City's Deposit Notice Address: San Francisco International Airport
(§ 7) 575 North McDonnell Road, Suite 3-329
Att'n: Revenue Development and Management
P. O. Box 8097
San Francisco, CA 94128

Privilege Fee: Ten percent (10%) of Gross Revenues achieved by Permittee in any
(§ 5) month in excess of Eighty-Three Thousand Three Hundred Thirty-
Three Dollars (\$83,333.00).

Summary: - i -

Transportation Fee: User fee required by Airport on a per transaction basis in the amount
 (§ 5) determined by Director from time to time. The current amount of the
 Transportation Fee is \$20.00 per Transaction. As used herein, the
 term "Transaction" means a consummated rental contracted
 between Permittee and an Airport Customer for the rental of a
 vehicle.

Fees: Collectively, the Privilege Fee, the Transportation Fee, and any other
 (§ 5) fees or charges payable by Permittee under this Permit and other
 agreements.

Commencement Date: The first day on which Permittee conducts the Permitted Use on the
 (§ 3.1) Airport on the terms and conditions of the Operating Permit.

Deposit Amount: One Thousand Dollars (\$1,000.00), which may be adjusted by the
 (§ 7) Director from time to time.

Other: Off-Airport Car Rental Courtesy Vehicle Operator Commercial
 Agreements Ground Transportation Non-Exclusive Operating Permit No. ___
 (§§ 7, 8) _____ (the "Operating Permit").

Initial of Authorized Representative of City TA
Ms. J

Initial of Authorized Representative of Permittee AT

OFF-AIRPORT RENTAL CAR BUSINESS PERMIT
OF RELAYRIDES, INC.
AT SAN FRANCISCO INTERNATIONAL AIRPORT

THIS OFF-AIRPORT RENTAL CAR BUSINESS PERMIT (this "Permit"), dated as of the Effective Date, is entered into by and between Permittee, and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission ("Commission"). This Permit is made with reference to the following facts:

A. City owns the San Francisco International Airport (the "Airport") located in the County of San Mateo, State of California, which Airport is operated by and through the Commission, the chief executive officer of which is the Airport Director ("Director"). The Airport's "Terminal Building Complex" is currently comprised of a Terminal 1, a Terminal 2, a Terminal 3, an International Terminal, together with connecting concourses, piers, boarding areas and extensions thereof, and satellite buildings now or hereafter constructed. Terminal 2 is currently closed to aircraft operations. Permittee acknowledges that, from time to time, the Airport undergoes certain construction and renovations projects. Unless otherwise specified, the term "Airport" or "Terminal Building Complex" as used herein shall mean the Airport or the Terminal Building Complex, respectively, as the same may be expanded, contracted, improved, modified, renovated, or changed in any way. Unless otherwise specified below, references to the "City" shall mean the City, acting by and through its Airport Commission.

B. Permittee desires to provide an off-airport rental car services at the Airport. Permittee acknowledges that such services are possible only due to the substantial investment and on-going expenditures made by the City and the Commission to create, improve, maintain and operate the Airport as a whole; and that the Privilege Fee represents a fair allocation of the costs incurred by the City and the Commission to create the business opportunity for Permittee, and is a reasonable amount in light of the benefit derived by Permittee. City has determined that such service would be an accommodation and convenience for airline passengers and the public using the Terminal Building Complex and the Airport's Rental Car Facility. Concurrently herewith, Permittee has applied for and will obtain from City the Operating Permit which Operating Permit will govern certain operational aspects of Permittee's activity on the Airport.

C. As a condition to Director's issuance of the Operating Permit and in compliance with Permit Section 2, below: on behalf of City, Permittee is required to enter into this Permit.

Accordingly, Permittee and City agree as follows:

1. DEFINED TERMS

1.1 Terms Defined in this Permit. As used herein, the following capitalized terms shall have the following meanings:

(a) "Airport Customer" means any person who arrives at the Airport by aircraft and who is transported to Permittee's Off-Airport business location via courtesy ground transportation vehicle for the purpose of entering into a car rental agreement.

(b) "Gross Revenues" means all monies paid or payable to or considerations of determinable value received by the Permittee, after discounts and/or coupons deducted, at the completion

of rental to an Airport Customer. Gross Revenue shall be determined by the total of charges on the face of the Airport Customer's receipt at the time of rental. Included in Gross Revenue are a single or combination of the following:

- i. All charges to Airport Customers, including, but not limited to, time and mileage charges and separately stated fees for rental of Vehicles and other related or incidental services, and any other items or services which may be authorized by Airport, made at or from the Airport, regardless of where the Vehicles or services are delivered to or returned;
- ii. All amounts charged to Airport Customers for insurance offered by Permittee incidental to the rental of such Vehicles, including but not limited to personal accident insurance;
- iii. All charges attributable to any "Vehicle" rented to an Airport Customer, which includes but is not limited to any car, van, bus, truck or sport utility vehicle, originally rented at the Airport which is exchanged at any other location of Permittee;
- iv. All proceeds from the long-term lease of Vehicles from any location on the Airport;
- v. The amount charged to Airport Customers and which is separately stated on the rental agreement as an optional charge for waiver by Permittee of its right to recover from customer for damage to or loss of the Vehicle rented.
- vi. The amount charged to Airport Customers at the commencement or the conclusion of the rental transaction for the cost of furnishing and/ or replacing fuel provided by Permittee; and
- vii. Permittee will comply with all local, county, and state laws regarding the disclosure of fees, including but not limited to invoices or contracts, to its customers. Upon reaching the Threshold, as defined below, Permittee shall list separately, on any customer rental agreements, contracts or invoices, the concession fee payable by Permittee to the City for the privilege of doing business at the Airport under this Agreement. Permittee shall list such concession fee as a "Concession Recovery Fee" (or such other mutually agreeable term) on all such customer rental agreements, contracts or invoices. Permittee agrees that at no time will the concession fee listed on the customer rental agreement, contract or invoice, exceed eleven and eleven one-hundredths percent (11.11%).

Only the following shall be **excluded** from the term "Gross Revenues":

- viii. Any Federal, State, County or City sales or other similar taxes or surcharges separately stated to and collected from customer of Permittee;
- ix. Revenues received by Permittee from non-Airport Customers;
- x. Refunds by Permittee to Airport Customers included in Gross Revenues;
- xi. Any amounts received as insurance proceeds or otherwise for damage to automobiles or other property of Permittee or its car owners, or for loss, conversion or abandonment of such automobiles;

- xii. Revenue from the wholesale transfer of salvage vehicles:
- xiii. All non-revenue rentals to employees of Permittee:
- xiv. Discounts allowed by the Airport to customers renting qualified green vehicles as specified in Section 4.11 of the Lease:
- xv. The retroactive adjustment by Permittee of Gross Revenues designated as volume discounts or any other designation or for any other purpose is prohibited.

1.2 Other Defined Terms. Any other capitalized term used but not defined herein shall have the meaning given it in the Operating Permit.

2. GROUND TRANSPORTATION GUIDELINES AND OPERATING PERMIT

Concurrently herewith, Permittee shall comply with the following ground transportation requirements to transport its customers to and from the Airport.

2.1 Transportation TO the Airport - Use of Ground Transportation Operating Permit or Scheduled Shuttle Permit. For transportation *to* the Airport, Permittee may transport its customers either to the Airport Rental Car Facility under a Ground Transportation Operating Permit or to designated locations under an existing Scheduled Shuttle or Courtesy Permit (collectively, "Scheduled Shuttle Permit"). If Permittee elects to transport its customers under a Scheduled Shuttle Permit, it may do so only under the following conditions:

(a) Permittee shall provide written notification to the Airport identifying the Scheduled Shuttle Permit holder, the permit number, and the proposed mode of transportation to be provided in conformance with the Scheduled Shuttle Permit.

(b) The Scheduled Shuttle Permit must be existing and issued prior to the Effective Date of this Permit (but includes renewals of the Scheduled Shuttle Permit after the Effective Date):

(c) The route to the Airport must be consistent with the designated route approved under the Scheduled Shuttle Permit, or renewals of the permit.

2.2 Transportation FROM the Airport - Use of Ground Transportation Operating Permit. For transportation *from* the Airport, Permittee must pick up its Airport Customers from the Airport Rental Car Facility and shall obtain and maintain at all times an Airport issued Ground Transportation Operating Permit ("Operating Permit") for such transport. Permittee may transport any customers not renting a car under a Scheduled Shuttle Permit, as provided in 2.1(a)-(c) above.

2.3 Termination of Permit. Permittee acknowledges that the Director may terminate this revocable Permit, without limiting the generality of Section 3 [Commencement Date; Revocation], in the following instances:

(a) If at any time the Ground Transportation Operating Permit is terminated, revoked, or is otherwise not in full force and effect.

(b) If Permittee fails to comply with Sections 2.1 and 2.2 above.

(c) If this Permit is terminated, revoked, or is otherwise not in full force and effect, Permittee shall have no rights under a Ground Transportation Operating Permit.

3. COMMENCEMENT DATE; REVOCATION

3.1 Commencement Date. This permit shall be effective, and the "Commencement Date" shall be deemed to occur hereunder, on the Commencement Date (as defined in the Operating Permit).

3.2 Revocation; Termination. This permit shall continue in force until revoked or mutually terminated as hereinafter provided.

(a) This Permit is revocable at any time, in the sole and absolute discretion of Director. Such revocation shall be accomplished by giving thirty (30) days' prior notice to Permittee. Notwithstanding the foregoing, Director may also terminate the Permit upon the occurrence of an Event of Default (as defined below) without such 30-day notice.

(b) Permittee may terminate this Permit by giving thirty (30) days' prior notice to Director.

4. USE AND PRIVILEGES

4.1 Use. Permittee shall be entitled to conduct off-airport rental car services on the terms and conditions of this Permit, as well as the Operating Permit, which is hereby incorporated herein by reference and made a part of this Permit. Without limiting the generality of the foregoing, (a) Permittee hereby waives and releases, and agrees to indemnify, defend, and hold harmless City from any and all Losses arising out of this Permit, the Operating Permit, or Permittee's operations on or around the Airport; (b) Permittee shall at all times maintain the insurance required by the Operating Permit; and (c) Permittee shall not cause any Hazardous Materials to be brought upon, kept, used, stored, generated, or disposed of in, on or about the Airport, or transported to or from the Airport.

4.2 Non-Exclusive Rights. Permittee understands and agrees that that rights and privileges conferred to it under this Permit are non-exclusive and do not establish or vest in Permittee any right to preferential use of Airport facilities relative to other commercial users of the Airport, nor do they restrict the Airport from granting exclusive or priority uses of Airport facilities to others.

4.3 Operational Restrictions. Without limiting the provisions of this Permit or the Operating Permit, Permittee shall not:

- (a) deliver rental automobiles to customers on Airport property.
- (b) divert Gross revenues which would be subject to the Privilege Fee through such tactics as:
 - (i) instructing or suggesting to an Airport Customer (as defined below) that he/she falsely state on Permittee's rental contract that he/she is not an Airport Customer;
 - (ii) instructing or suggesting to any Airport Customer that he/she list a false address on Permittee's rental contract;

- (iii) instructing or suggesting to any Airport Customer that he/she furnish false driver's license information on Permittee's rental contract.
- (c) attempt to solicit payment from Airport customer in excess of the Privilege and Transportation Fees while representing to such customer that amounts charged constitute an "Airport Charge."
- (d) provide false information to Airport personnel.
- (e) submit to Airport officials financial documents and/or rental contract in an altered or fictitious form.

5. PRIVILEGE FEE

5.1 Fee. For the privilege of using Airport's facilities, including without limitation, the Airport roadways, and courtesy-vehicle drop-off areas, and receiving the economic benefits derived therefrom, and to reimburse the Airport for the costs of providing services and facilities that are utilized directly and indirectly by Permittee and the benefits which Permittee and its business receive, Permittee shall pay the Privilege Fee as follows:

(a) If Permittee's Gross Revenues exceed eighty-three thousand, three hundred thirty-three dollars (\$83,333.00) in any given month (the "Threshold"); Permittee will pay the Privilege Fee described in the Summary. Such Privilege Fee will be in addition to and not in lieu of any fees payable under the Operating Permit.

(b) On the twentieth (20th) day of each calendar month, Permittee shall submit to the Payment Address a written statement, certified by a corporate officer as being true and correct, with the following information: (i) in the event Permittee's Gross Revenues during the preceding month exceeded the Threshold amount, the Permittee's Gross Revenues and the total number of all transactions of Airport Customers; (ii) in the event the Permittee's Gross Revenues during the preceding month did not exceed the Threshold amount, a statement to that effect and the total number of all transactions of Airport Customers. The Airport Director reserves under this section and 5.5 below the right to request at his discretion, and Permittee shall provide, additional information for past or future statements, regardless of whether the Threshold amount was or will be attained in any given month. Concurrently with such statement, Permittee shall pay any Privilege Fee payable, which is ten percent (10%) of its total Gross Revenues (as defined in Section 1.1 of this Permit).

5.2 Operations Related to Gross Revenues. Permittee shall collect from its Airport Customers the following information:

- (a) Customer's telephone number;
- (b) Customer's driver's license number and state of issuance.

5.3 Characterization of Gross Revenues. Permittee agrees that it will not exchange vehicles, modify accounting treatment of revenue, or rename or redefine services or products in any manner that would deprive the City of revenue which should, under the terms of this Permit, be payable to City. In the event of any such vehicle exchange, accounting modifications, service redefinition, or renaming intended to deliberately deprive the City of revenue which should accrue to it, Director may, at his or her

option, revoke this permit and/or any Other Agreements. Said revocation shall be immediately effective upon written notice from City.

5.4 Books and Records: Audit of Operations. Permittee shall maintain for a period of four (4) years or, in the event of a claim by City, until such claim of City for payments hereunder shall have been fully ascertained, fixed and paid, separate and accurate daily records of Gross Revenues and Transaction activity as herein defined, and in accordance with generally accepted accounting principles, showing in detail all business done or transacted in, on, about or from or pertaining to transactions with Airport Customers, and Permittee shall enter all receipts arising from such business in regular books of account, and all entries in any such records or books shall be made at or about the time the Transactions respectively occur. Such books and records shall be maintained at Permittee's principal place of business unless otherwise permitted by Director in writing. Upon Director's written request, Permittee shall make available immediately at Airport any and all books, records and accounts pertaining to its operations under this Permit. In submitting reports pursuant to this Section 5.4, Permittee may request that the Airport consider certain information as confidential in nature under applicable local and state disclosure laws. The intent and purpose of the provisions of this section are that Permittee shall keep and maintain records which will enable City and City's Controller to ascertain, determine and audit, if so desired by City, clearly and accurately, the gross revenues, trip and Transaction activity of Permittee, and that the form and method of Permittee's reporting of gross revenues and trip activity will be adequate to provide a control and check of all revenues derived by Permittee under this Permit.

5.5 Annual Report. Consistent with Section 5.1(a) and 5.4 above, within ninety (90) days after the end of each calendar year where Permittee has exceeded the Threshold, Permittee shall submit to Director an unqualified year-end financial report certified by its duly authorized Chief Financial Officer during 2013 and 2014, and by a Certified Public Accountant for each year after that showing Gross Revenues achieved and the total number of transactions of Airport Customers with respect to the prior calendar year. In the event such report shows that Permittee under-or over-paid for the prior calendar year, as a Privilege Fee, Permittee shall remedy the deficiency, or be entitled to a credit against future payments, as the case may be. In addition, Permittee shall submit to City such other financial or other reports as Director may reasonably require.

5.6 Transportation Fee. To compensate the Airport for its costs associated with the AirTrain and other back-up transportation to the Airport's Rental Car Center, and the related facilities, the Airport imposes the Transportation Fee (as defined in the Summary). Within twenty (20) business days following the end of each calendar month, Permittee shall transmit to City a monthly statement showing the number of Transactions with Airport Customers consummated with respect to the prior month, together with the aggregate Transportation Fees applicable to such Transactions.

5.7 Payment. Any payments not made when due shall be subject to interest thereon at the rate of one and one-half percent (1½%) per month. Payments shall be made in lawful money of the United States, free from all claims, demands, set-offs, or counter-claims of any kind against City.

5.8 Prepayment. Notwithstanding anything to the contrary herein, in the event Permittee shall fail to pay any Fees when due hereunder, Director shall have the right to require Permittee to pay estimated monthly Fees one (1) month in advance of when such payment would otherwise be due. Such prepayment would be based on the highest monthly Fees previously due from Permittee. Such right shall be exercised by a notice from Director to Permittee, which notice may be given any time after such default by Permittee, regardless of whether the same is cured by Permittee.

5.9 Other Charges and Fees. Permittee shall pay all other charges, penalties, and fees occasioned by Permittee's operations or activities hereunder or under the Operating Permit.

6. ASSIGNMENT

6.1 No Assignment. Permittee shall not assign, encumber, or otherwise transfer, whether voluntary or involuntary or by operation of law, any interest herein, without City's prior written consent, which consent may be granted or denied in City's sole and absolute discretion (the term "Transfer" shall mean any such assignment, subletting, encumbrance, or transfer). City's consent to one Transfer shall not be deemed a consent to subsequent Transfer. Any Transfer made without City's consent shall constitute a default hereunder and shall be voidable at City's election.

6.2 Changes in Permittee. The merger of Permittee with any other entity or the transfer of any controlling ownership interest in Permittee, or the assignment or transfer of a substantial portion of the assets of Permittee, whether or not located on the Airport, shall constitute a Transfer. Without limiting the generality of the foregoing, if Permittee is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law of the partner or partners owning fifty-one percent (51%) or more of the partnership, or the dissolution of the partnership, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of Permittee, shall be deemed a Transfer. If Permittee is a corporation or limited liability company, any dissolution, merger, consolidation or other reorganization of Permittee, or the sale or other transfer of a controlling percentage of the capital stock or interests issued, outstanding and entitled to vote for the election of directors shall be deemed a Transfer. Without limiting the restrictions on asset transfer, this paragraph shall not apply to stock or limited liability company interest transfer of corporations or limited liability companies the stock or interests of which is traded through an exchange or over the counter.

6.3 No Release. In no event will City's consent to a Transfer be deemed to be a release of Permittee as primary obligor hereunder.

7. DEPOSIT

7.1 Form of Deposit. Within thirty (30) days after the Reference Date, Permittee will deliver to Director a security deposit (the "Deposit") in the Deposit Amount. Such Deposit shall be in the form specified in Airport Commission Resolution No. 04-0153, or successor resolution. In the event such Deposit is in the form of a bond, then such Deposit shall be payable to City, naming City as obligee, in the form attached as Exhibit A-1, and shall otherwise be in form satisfactory to City's City Attorney, and issued by a surety company satisfactory to Director; or in the event such Deposit is in the form of a letter of credit, then such letter of credit shall name City as beneficiary, be in the form attached as Exhibit A-2, and otherwise be in form satisfactory to City's City Attorney, issued by a bank satisfactory to Director. City reserves the right to refuse to accept a Deposit which has an expiration date or cancellation or termination provision.

7.2 Maintenance of Deposit. At Director's request, Permittee shall cause the Deposit to be increased from time to time such that at all times the Deposit is equal to the Deposit Amount determined from time to time by the Director. Permittee shall cause the bond or letter of credit to be kept in full force and effect at all times to ensure the faithful performance by Permittee of all covenants, terms, and conditions of this Permit, including payment of Fees. If and to the extent City accept a Deposit which has an expiration date or cancellation or termination provision, Permittee shall cause the surety company or bank issuing such bond or letter of credit to give Director notice in writing by registered or certified mail at forty-five (45) days prior to the expiration date of such bond or letter of credit of its intention not to

renew or to cancel or terminate said bond or letter of credit. Permittee shall cause such bond or letter of credit to be renewed, extended, or replaced, at Permittee's sole cost, at least thirty (30) days before the expiration date or cancellation date of the bond or letter of credit, with another bond or letter of credit that complies with the requirements herein. If Permittee fails to do so, City may, without notice to Permittee, draw on the entirety of the Deposit and hold the proceeds thereof as security hereunder. Permittee shall cause all notices to be given to City under this Section 7 to be given to City at City's Deposit Notice Address.

7.3 Use of Deposit. If Permittee fails to pay any Privilege Fees or otherwise defaults with respect to any provision of this Permit, City may use, apply or retain all or any portion of the Deposit for the payment of such fee or other charge in default or for the payment of any other sum to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. If City so uses or applies all or any portion of the Deposit, Permittee, within ten (10) days after request therefor, shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof, and Permittee's failure to do so shall be a breach of this Permit. City shall not be required to keep the Deposit or any proceeds thereof, as applicable, separate from its general accounts. Any proceeds of the Deposit is and will remain the sole and separate property of City until actually repaid by Permittee, said sum not being earned by Permittee until all provisions precedent for its payment to Permittee have been fulfilled. If Permittee performs all of Permittee's obligations hereunder the Deposit, or the proceeds thereof, or so much thereof as has not theretofore been applied by City, shall be returned without payment of interest or other increment for its use, to Permittee (or, at City's option, to the last assignee, if any, of Permittee's interest hereunder) within sixty (60) days after the termination or revocation of this Permit. No trust relationship is created herein between City and Permittee with respect to the Deposit or any proceeds thereof.

8. WAIVER; INDEMNITY; INSURANCE

8.1 Waiver. Permittee covenants and agrees that City shall not at any time to any extent whatsoever be liable, responsible or in anywise accountable for, and Permittee waives and releases any claim (including any claim for contractual or implied indemnity) against City, for Losses which (a) at any time after the Reference Date may be suffered or sustained by Permittee or any Permittee Entity arising out of Permittee's operations, or (b) are caused in whole or in part by any act or omission (whether negligent, non-negligent or otherwise) of Permittee or any Permittee Entity, whether or not such Losses shall be caused in part by any act, omission or negligence of any City Entity, except if caused solely by the gross negligence or willful misconduct of City.

8.2 Indemnity. In addition to, and not in limitation of the foregoing, Permittee shall indemnify, and save harmless City and its officers, agents and employees, and, if requested, shall defend them from and against any and all Losses caused in whole or in part by (a) any act or omission of Permittee or any Permittee Entity, (b) Permittee's operations at the Airport, or (c) any default by Permittee or any Permittee Entity in the observance or performance of any of the terms, covenants, or conditions of this Permit, whether or not any such Losses shall be caused in part by any act, omission or negligence of City or any City Entity, except if caused solely by the gross negligence or willful misconduct of City.

8.3 Losses. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorneys' fees, investigation costs, remediation costs, and court costs), of any kind or nature.

8.4 Notice. Without limiting the foregoing waiver and indemnity, each party hereto shall give to the other prompt and timely written notice of any Loss coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.

8.5 Insurance. Permittee shall procure and maintain during the term of this Permit the following insurance:

(a) Workers' Compensation Insurance in statutory limits with Employer's Liability limits not less than **\$1,000,000** each accident.

(b) General Automobile Liability Insurance with limits not less than those required by the California Public Utilities Commission (CPUC) for each occurrence Combined Single Limit for Bodily Injury and Property Damage, including employer's non-ownership liability and hired automobile coverages, as applicable. As of September 1, 2002, a minimum of **\$750,000** in general automotive liability insurance coverage is required for vehicles designed to carry up to eight passengers including the driver, a minimum of **\$1,500,000** in general automotive liability insurance coverage is required for vehicles designed to carry from nine to fifteen passengers, and a minimum of **\$5,000,000** in general automotive liability insurance coverage is required for vehicles designed to carry more than sixteen passengers.

(c) Comprehensive General Liability Insurance with limits not less than **\$1,000,000** each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products Liability, Independent Contractor Liability and Completed Operations Coverages, covering Permittee's operations at and around the Airport.

8.6 Form of Policies. All insurance required by Permittee hereunder shall be pursuant to policies in form and substance and issued by companies satisfactory to City and City's City Attorney. City may, upon reasonable notice and reasonable grounds increase or change the required insurance hereunder, in which event Permittee shall obtain such required insurance. Without limiting the generality of the foregoing, all liability insurance policies (excepting the Workers Compensation Insurance), shall be endorsed or otherwise to provide the following:

(a) Name as additional insured the City and County of San Francisco, the Airport Commission and its members, and all of the officers, agents, and employees of each of them (collectively "**Additional Insureds**").

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Permit, and that insurance applies separately to each insured against whom claim is made or suit is brought. No other insurance effected by City will be called upon to contribute to a loss covered hereby.

(c) Severability of Interests (Cross Liability): The term "the insured" is used severally and not collectively, and the insurance afforded under the liability coverages applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability. All policies shall provide that the insurance company shall provide thirty (30) days prior written notice to City of cancellation, or reduction in coverage or limits, delivered to City at City's Notice Address. Prior to issuance of the permit, Permittee shall provide evidence to City of proof of insurance coverage for a minimum period of not less than ninety (90) days.

8.7 Delivery of Policies or Certificates. On or before the Commencement Date, Permittee shall provide to City copies of its insurance certificates evidencing the above insurance, and, upon request, promptly provide copies of the required insurance policies. Permittee's insurer shall provide to Director a list of all vehicles covered under Permittee's Automobile Liability policy.

8.8 Subrogation. Notwithstanding anything to the contrary herein, Permittee waives any right of recovery against City for any loss or damage to the extent the same is covered by Permittee's workers' compensation and property insurance. Permittee shall obtain from its insurer, if possible, a waiver of subrogation the insurer may have against City or any City Entity in connection with any Loss covered by Permittee's property insurance policy.

8.9 Coverage. All vehicles operated by Permittee or any Permittee Entity must be insured under Permittee's Automobile Liability Policy; and all employees operating vehicles under this Permit, must be covered under Permittee's General Liability and Workers' Compensation policies. Any vehicles operated by independent contractors under this Permit, that are not covered under Permittee's Automobile Liability, General Liability, and Workers' Compensation policies must be separately insured and proof of such insurance must be provided to the Director prior to the vehicle commencing operations at the Airport. Permittee may not add vehicles to its fleet, nor operate existing vehicles, unless such vehicles are insured according to the limits and coverages specified in this Permit.

8.10 Other Agreements. If Permittee defaults with respect to any provision of any other agreement between City and Permittee, City may use, apply or retain all or any portion of the Deposit for payment of any sum owing to City or to which City damage which City may suffer thereby. Likewise, if Permittee defaults with respect to any provision under this Permit, City may use, apply, or retain all or any portion of any deposit provided under other agreement between City and Permittee, for payment of any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. In the event the Deposit or any other deposit is so used, Permittee shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof.

9. DEFAULT; REMEDIES

9.1 Event of Defaults. The occurrence of any one or more of the following events shall constitute a breach of this Permit and an "Event of Default" hereunder:

(a) Permittee shall fail duly and punctually to pay any Privilege Fee, or to make any other payment required hereunder when due to City, and such failure shall continue beyond the date specified in a written notice of such default from Director, which date shall be no earlier than the third (3rd) day after the effective date of such notice. Notwithstanding the foregoing, in the event there occurs two (2) defaults in the payment of Privilege Fees or other payment, thereafter Permittee shall not be entitled to, and City shall have no obligation to give, notice of any further defaults in the payment of Privilege Fees or other payment. In such event, there shall be deemed to occur an "Event of Default" immediately upon Permittee's failure to duly and punctually pay Privilege Fees or other payment hereunder; or

(b) Permittee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement of its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute

of the United States or of any state thereof, or consent to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or

(c) A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, shall be filed against Permittee and shall not be dismissed within thirty (30) days after the filing thereof; or

(d) There shall occur a Transfer without the prior approval of the City; or

(e) Permittee shall fail to provide the Deposit within ten (10) days after the Effective Date or shall fail to maintain in full such Deposit at all times during the term of this Permit, and such failure shall continue for a period of more than three (3) days after delivery by Director of written notice of such breach or default; or

(f) Permittee shall fail to obtain and maintain the insurance required hereunder, or provide copies of the policies or certificates to City as required herein; or

(g) Director reasonably believes that Permittee has diverted revenues that would otherwise be considered "Gross Revenues"; or

(h) Permittee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this permit, and such failure shall continue for a period of more than three (3) days after delivery by Director of a written notice of such failure (the "First Notice"); or if satisfaction of such obligation requires activity over a period of time, if Permittee fails to commence the cure of such failure within three (3) days after receipt of the First Notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within one hundred twenty (120) days after the giving of the First Notice; or

(i) There shall occur a default under any other agreement between Permittee and City, including the Other Agreements, if any, and such default is not cured as may be provided in such agreement; provided, however, that nothing herein shall be deemed to imply that Permittee shall be entitled to additional notice or cure right with respect to such default other than as may be provided in such other agreement.

9.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, City shall have the following rights and remedies in addition to all other rights and remedies available to City at law or in equity:

(a) City may elect to terminate this Permit;

(b) City may elect to terminate any other agreement between Permittee and City, including the Other Agreements, if any;

(c) City may collect from Permittee all amounts owing on account of Permittee's default including unpaid Privilege Fees plus interest thereon on all such amounts from the date due until paid at the rate of one and one-half percent (1-1/2%) per month; and

(d) City may collect from Permittee any other amount to compensate City fully for all detriment proximately caused by Permittee's failure to perform its obligations hereunder or which in the ordinary course would likely result therefrom.

Nothing herein shall be deemed to limit City's right to revoke this Permit as provided in Section 3.2 [Revocation; Termination] of this Permit.

9.3 City's Right to Perform. All agreements and provisions to be performed by Permittee under any of the terms of this Permit shall be at its sole cost and expense and without any abatement of Privilege Fees. If Permittee shall fail to make any payment or perform any act on its part to be performed hereunder and such failure shall continue for ten (10) days after notice thereof by City, City may, but shall not be obligated to do so, and without waiving or releasing Permittee from any obligations of Permittee, make any such payment or perform any such other act on Permittee's part to be made or performed as provided in this Permit. All sums so paid by City and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to City on demand, and City shall have (in addition to any other right or remedy of City) the same rights and remedies in the event of the nonpayment thereof by Permittee as in the case of default by Permittee in the payment of Privilege Fees.

9.4 Cumulative Rights. The exercise by City of any remedy provided in this Permit shall be cumulative and shall in no way affect any other remedy available to City under law or equity.

9.5 Prepayment. As provided above, if Permittee defaults in the payment of a Privilege Fee, City may require prepayment of Privilege Fee. Such right shall be in addition to and not in lieu of any and all other rights hereunder, or at law or in equity.

9.6 Fines. If Permittee defaults under any of the Permit terms specified below, Director may elect to impose the fines described below on the basis of per violation per day:

<u>Violation</u>	<u>Section</u>	<u>Fine</u>
Violation of Use and Privileges	4	\$100.00
Failure to submit required documents and reports	5	\$100.00
Failure to obtain or maintain Deposit	7	\$100.00
Failure to abide with any other terms of this Permit		\$100.00

Director's right to impose the foregoing fines shall be in addition to and not in lieu of any and all other rights hereunder, in the Airport Rules, or at law or in equity. City shall have no obligation to Permittee to impose fines on or otherwise take action against any other Permittee at the Airport. THE PARTIES HAVE AGREED THAT A VIOLATION OF ANY OF THE ABOVE TERMS SHALL RESULT IN CITY INCURRING DAMAGES WHICH ARE IMPRACTICAL OR IMPOSSIBLE TO DETERMINE. THE PARTIES HAVE AGREED THAT THE ABOVE FINES ARE A REASONABLE APPROXIMATION OF SUCH DAMAGES.

10. CITY AND OTHER GOVERNMENTAL PROVISIONS

10.1 Charter. The terms of this Permit shall be governed by and subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco.

10.2 Tropical Hardwoods and Virgin Redwoods. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, virgin redwood, or tropical hardwood or virgin redwood product.

10.3 No Representations. Permittee acknowledges and agrees that neither City nor any person on behalf of City has made, and City hereby disclaims, any representations or warranties, express or implied, regarding the business venture proposed by Permittee at the Airport, including any statements relating to the potential success or profitability of such venture. Permittee represents and warrants that it has made an independent investigation of all aspects of the business venture contemplated by this Permit.

10.4 Limitation on Damages. Notwithstanding anything to the contrary herein, in no event will City or any City Entity be liable to Permittee or any Permittee Entity for any consequential, incidental, or special damages, or lost revenues or lost profits.

10.5 Sponsor's Assurance Agreement. This Permit shall be subordinate and subject to the terms of any "Sponsor's Assurance Agreement" or any like agreement heretofore or hereinafter entered into by City and any agency of the United States of America.

10.6 Federal Nondiscrimination Regulations. Permittee understands and acknowledges that City has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act of 1964, as effectuated by Title 49 of the Code of Federal Regulations, Subtitle A-Office of the Secretary of Transportation, Part 21, as amended, as a condition precedent to the government making grants in aid to City for certain Airport programs and activities, and that City is required under said Regulations to include in every agreement or concession pursuant to which any person or persons other than City, operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Permittee agrees as follows: Permittee in its operation at and use of San Francisco International Airport, covenants that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of 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, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that the grantee, licensee, permittee, etc., shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

10.7 Federal Affirmative Action Regulations. Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Permittee assures that it will require that its covered sub-organizations provide assurances to Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

10.8 Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this agreement, Permittee agrees not to discriminate against any employee, city and County employee working with Permittee, applicant for employment with Permittee, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or

organizations operated by Permittee, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such leases.

(b) Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of subsection (a) above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this subsection shall constitute a material breach of this Permit.

(c) Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco, where the work is being performed for the City, or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) CMD Declaration. Permittee hereby represents that prior to execution of this Permit, (i) Permittee executed and submitted to the Contract Monitoring Division of the City and County of San Francisco (the "CMD") the Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits form (Form CMD-12B- 101), with supporting documentation, and (ii) the CMD approved such form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

10.9 Conflict of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of section 15.103 of City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and sections 87100 et seq and sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provision and agrees that if it becomes aware of any such fact during the term of this Permit it shall immediately notify City.

10.10 Declaration Regarding Airport Private Roads. Permittee hereby acknowledges and agrees that all roads existing at the date of execution hereof within the boundaries of the Airport, as shown on the current official Airport plan and as it may be revised, are the private property and private roads of the City and County of San Francisco, with the exception of that portion of the old Bayshore

Highway which runs through the southern limits of the City of South San Francisco and through the northern portion of the Airport to the intersection with the North Airport Road as shown on said Airport Plan, and with the exception of that portion of the North Airport Road which runs from the off and on ramps of the State Bayshore Freeway to the intersection with said old Bayshore Highway as shown on said Airport Plan. It further acknowledges that any and all roads hereafter constructed or opened by City within the Airport boundaries will be the private property and road of City, unless otherwise designated by appropriate action.

10.11 Drug-Free Workplace. Permittee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Any violation of this prohibition by Permittee or any Permittee Entity shall constitute a default hereunder.

10.12 Compliance with Americans With Disabilities Act. Permittee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity, whether directly or through a contractor, must be accessible to the disabled public. Permittee shall provide the services specified in this Permit in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Permittee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Permit and further agrees that any violation of this prohibition on the part of Permittee, its employees, agents or assigns shall constitute a material breach of this Permit.

10.13 Pesticide Prohibition. Permittee shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Permittee to submit to the Airport an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Permittee may need to apply to the Premises during the terms of this Permit, (b) describes the steps Permittee will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as the Permittee's primary IPM contact person with the City. In addition, Permittee shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

10.14 First Source Hiring Ordinance. Permittee shall comply with the San Francisco First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264-98) in cooperation with the Airport Commission Office of Employment and Community Partnerships pursuant to the First Source Hiring Agreement entered into between the Airport Commission and the Permittee concurrently herewith, and incorporated herein by reference.

10.15 Labor Peace/Card Check Rule. Without limiting the generality of other provisions herein requiring Permittee to comply with all Airport Rules, Permittee shall comply with the Airport's Labor Peace/Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the "Labor Peace/Card Check Rule"). Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Card Check Rule, Permittee shall, among other actions: (a) Enter into a Labor Peace/Card Check Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his/her designee, within thirty (30) days after the Labor Peace/Card Check Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of this Permit, Permittee shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Director or his/her designee ("registered labor organization"), that Permittee is seeking

to modify or extend this Permit: (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than thirty (30) days prior to entering into any Subcontract, Permittee shall provide notice to all registered labor organizations that Permittee is seeking to enter into such Subcontract; and (d) Permittee shall include in any subcontract with a Subcontractor performing services pursuant to any Covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Permittee shall have violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate this Permit, in addition to exercising all other remedies available to him/her.

10.16 Requiring Minimum Compensation. Permittee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Permit as though fully set forth. The text of the MCO is available on the web at <http://sfgsa.org/index.aspx?page=403>. Capitalized terms used in this Section and not defined in this Permit shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, Permittee agrees to all of the following:

(a) For each hour worked by a Covered Employee during a Pay Period on the property covered by this Permit, Permittee shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and compensated and uncompensated time off consistent with the requirements of the MCO. For the hourly gross compensation portion of the MCO, Contractor shall pay a minimum of \$12.43 an hour beginning January 1, 2013 and for the remainder of the term of this Permit; provided, however, that if Permittee is a Nonprofit Corporation or public entity, it shall pay a minimum of \$11.03 an hour for the term of this Permit.

(b) Permittee shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to Permittee's compliance or anticipated compliance with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO, or for seeking to assert or enforce any rights under the MCO by any lawful means.

(c) Permittee understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by Permittee of the terms of this Permit. The City, acting through the Contracting Department, shall determine whether such a breach has occurred.

(d) If, within 30 days after receiving written notice of a breach of this Permit for violating the MCO, Permittee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Permittee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City, acting through the Contracting Department, shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

- (1) The right to charge Permittee an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;
- (2) The right to set off all or any portion of the amount described in Subsection (d)(1) of this Section against amounts due to Permittee under this Permit.

- (3) The right to terminate this Permit in whole or in part;
- (4) In the event of a breach by Permittee of the covenant referred to in Subsection (b) of this Section, the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and
- (5) The right to bar Permittee from entering into future contracts with the City for three (3) years.
- (6) Each of the rights provided in this Subsection (d) shall be exercisable individually or in combination with any other rights or remedies available to the City. Any amounts realized by the City pursuant to this subsection shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.
- (e) Permittee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.
- (f) Permittee shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any written communications received by the Permittee from the CITY, which communications are marked to indicate that they are to be distributed to Covered Employees.
- (g) Permittee shall provide reports to the City in accordance with any reporting standards promulgated by the City under the MCO.
- (h) Permittee shall provide the City with access to pertinent records after receiving a written request from the City to do so and being provided at least five (5) business days to respond.
- (i) The City may conduct random audits of Permittee. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten (10) days of the written notice; and (iv) limited to one audit of Permittee every two years for the duration of this Permit. Nothing in this Permit is intended to preclude the City from investigating any report of an alleged violation of the MCO.
- (j) **THIS SECTION IS NOT APPLICABLE. PERMITTEES MAY NOT SUBLET AIRPORT PERMITTED SPACE.**
- (k) Any contract entered into by Permittee and another party to perform services on the property covered by this Permit shall require that party to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. Permittee shall notify the Department of Administrative Services when it enters into such a contract and shall certify to the Department of Administrative Services that it has notified the contractor of the obligations under the MCO and has imposed the requirements of the MCO on the contractor through the provisions of the subcontract. It is Permittee's obligation to ensure that any such contractors comply with the requirements of the MCO. If such a contractor fails to comply, City may pursue any of the remedies set forth in this Section against Permittee.
- (l) Each Covered Employee is a third-party beneficiary with respect to the requirements of subsections (a) and (b) of this Section, and may pursue the following remedies in the event of a breach by Permittee of subsections (a) and (b), but only after the Covered Employee has provided the notice.

participated in the administrative review hearing, and waited the 21-day period required by the MCO. Permittee understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by Permittee of subsections (a) or (b), the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against Permittee arising from this Permit, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Permittee also understands that the MCO provides that if Permittee prevails in any such action, Permittee may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.

(m) If Permittee is exempt from the MCO when this Permit is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000 (\$50,000 for nonprofits), but Permittee later enters into an agreement or agreements that cause Permittee to exceed that amount in a fiscal year, Permittee shall thereafter be required to comply with the MCO under this Permit. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Permittee and this department to exceed \$25,000 (\$50,000 for nonprofits) in the fiscal year.

10.17 Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport director's prior consent.

10.18 Food Service Waste Reduction. Permittee is required to fully comply with and be bound by the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules.

11. GENERAL PROVISIONS

11.1 Notices. Except as otherwise specifically provided in this Permit, any notice, consent, request, demand, or other correspondence given under this Permit shall be in writing and given by as provided in the Operating Permit. Any notice given hereunder shall be deemed notice under the Operating permit, and any notice given under the Operating Permit shall be deemed notice hereunder.

11.2 Entire Agreement. The parties intend that this Permit (including all of the attached exhibits, which are made a part of this Permit) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings; provided, however, that the Operating Permit is incorporated herein by reference. If there is a conflict between the terms of this Permit and the terms of the Operating Permit, the terms of this Permit shall prevail; to the extent corresponding terms have been deleted from this Permit, they shall be deemed deleted from the Operating Permit as well. The parties further intend that this Permit shall constitute the complete and exclusive statement of its terms

and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Permit.

11.3 Amendments. Except as specifically provided herein, neither this Permit nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

11.4 Interpretation of Permit. The captions preceding the articles and sections of this Permit and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Permit. This Permit has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Permit. Provisions in this Permit relating to number of days shall be calendar days. Use of the word "including," shall mean "including, without limitation." References to statutes, sections, ordinances or regulations are to be construed as including all statutory, ordinance, or regulatory provisions consolidating, amending, replacing, succeeding or supplementing the statute, section, ordinance or regulation.

11.5 Successors and Assigns. Subject to the provisions of Section 6 [Assignment], the terms, covenants and conditions contained in this Permit shall bind and inure to the benefit of Permittee and City and, except as otherwise provided herein, their personal representatives and successors and assigns.

11.6 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Permit.

11.7 No Joint Venture. It is expressly agreed that City is not, in any way or for any purpose, a partner of Permittee in the conduct of Permittee's business or a member of a joint enterprise with Permittee, and does not assume any responsibility for Permittee's conduct or performance of this Permit.

11.8 Severability. If any provision of this Permit or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Permit, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Permit shall be valid and be enforceable to the full extent permitted by law.

11.9 Governing Law. This Permit shall be construed and enforced in accordance with the laws of the State of California.

11.10 Attorneys Fees. In the event that either City or Permittee fails to perform any of its obligations under this Permit or in the event a dispute arises concerning the meaning or interpretation of any provision of this Permit, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys fees. For purposes of this Permit, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

11.11 Cumulative Remedies. All rights and remedies of either party hereto set forth in this Permit shall be cumulative, except as may otherwise be provided herein.

11.12 Time of Essence. Time is of the essence with respect to all provisions of this Permit in which a definite time for performance is specified.

11.13 Survival of Indemnities. Expiration or termination of this Permit shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Permit, nor shall it effect any provision of this Permit that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Permit, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee.

11.14 Joint and Several Liability. The liabilities hereunder of the entities and/or person(s) comprising Permittee shall be joint and several.

11.15 Authority. If Permittee signs as a corporation, a limited liability company, or a partnership, each of the persons executing this Permit on behalf of Permittee does hereby covenant and warrant that Permittee is a duly authorized and existing entity, that Permittee has and is duly qualified to do business in California, that Permittee has full right and authority to enter into this Permit, and that each and all of the persons signing on behalf of Permittee are authorized to do so. Upon City's request, Permittee shall provide City evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

11.16 Counterparts. This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

///

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IN WITNESS WHEREOF, the parties have executed this Permit as of the Effective Date.

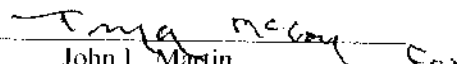
PERMITTEE: RELAYRIDES, INC.
[signatories to also initial Summary] a Delaware Corporation.

By: 

Name: ANDRE HADDAD
(type or print)

Title: CEO

CITY: CITY AND COUNTY OF SAN FRANCISCO,
[signatories to also initial Summary] a municipal corporation,
acting by and through its Airport Commission


John L. Martin
Airport Director *JK 1/20/18*

APPROVED AS TO FORM:
DENNIS J. HERRERA,
City Attorney

By: 
Deputy City Attorney

Appendix A
Airport Commission Resolution No. 04-0153

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 04-0153

**AMENDING THE 1990 AIRPORT BID DEPOSIT AND
PERFORMANCE GUARANTEE POLICY**

- WHEREAS,** the Airport Commission desires to ensure the faithful performance of all terms, conditions, and specifications of commission bids, proposals, leases, and other similar agreements; and
- WHEREAS,** the Airport requires concessionaires to deliver a security deposit both as part of a bid/proposal competitive process (a "**Bid Deposit**"), and for an actual lease/permit (a "**Lease Deposit**"); and
- WHEREAS,** on December 4, 1990, the Commission approved by Resolution No. 90-0204, its current "Bid Deposit and Performance Guarantee Policy" (the "**Policy**") specifying the forms of security deposit it will accept; and
- WHEREAS,** per the current Policy, the Airport will only accept as deposits in the following terms, based on the amount of the deposit:
- | <u>Under \$50,000</u> | <u>\$50,000 or More</u> |
|-------------------------------|-------------------------------|
| Surety Bonds | Surety Bonds |
| Irrevocable Letters of Credit | Irrevocable Letters of Credit |
| Certificates of Deposit | |
| Certified Checks | |
| Cashiers Checks | |
| Money Orders | |
- and;
- WHEREAS,** the Airport Commission, as a matter of policy, encourages the participation of small and disadvantaged businesses in Airport concessions; such businesses have expressed concern that surety bonds and letters of credit are costly and difficult to secure; and
- WHEREAS,** To assist these prospective concession bidders/proposers and tenants, staff recommends that the Policy be amended to provide that (1) the threshold amount for requiring bonds/letters of credit (the "**Threshold Amount**"), be raised

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. **04-0153**

from \$50,000 to \$200,000, and the Threshold Amount be increased annually to reflect increases in the Consumer Price Index, and (2) that the Airport use a tiered approach in determining whether a letter of credit or bond will be required such that for the first \$200,000 of a deposit, the bidder/proposer/tenant may elect to use alternative forms of deposit rather than a letter of credit or bond for the full amount, now therefore, be it

RESOLVED, that the Policy set forth in Resolution No. 90-0207 be amended as follows:

1. With regard to bid deposits submitted to the Airport for (1) bids, proposals, and other competitive solicitations for concessions; and (2) leases, permits, and other real property agreements, related to concessions; the Airport will hereafter accept Bid Deposits and Lease Deposits only in the following forms (based on the amount of the initial bid deposit):

<u>\$200,000 and Under</u>	<u>\$200,001 or More</u>
Surety Bonds	Surety Bonds
Irrevocable Letters of Credit	Irrevocable Letters of Credit
Certificates of Deposit	
Certified Checks	
Cashiers Checks	
Money Orders	

2. The Threshold Amount of \$200,000, specified above, will be increased annually by Airport staff to reflect increases in the Consumer Price Index for all Urban Consumers (CPI-U) for San Francisco, Oakland and San Jose, or similar index.
3. In the event the required amount of the Bid Deposit or Lease Deposit exceeds the Threshold Amount (currently \$200,000), then the Airport will permit a tiered approach as follows: the bidder, proposer, tenant may, at its option, submit the following forms of security **up to** the Threshold Amount.

Surety Bonds
Irrevocable Letters of Credit
Certificates of Deposit
Certified Checks
Cashiers Checks
Money Orders

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
PERMIT NO. 04-0153

However, the balance of the Bid Deposit or Lease Deposit must be in the form of an irrevocable letter of credit or surety bond. For example, if the required amount for a Lease Deposit is \$350,000, then the tenant may, at its option, submit a cashiers check for \$200,000 of the deposit, and will only have to secure a bond or a letter of credit in the amount of \$150,000 for the balance. The tenant could also elect to submit the entire Lease Deposit using one or more surety bonds or irrevocable letters of credit.

- 4. All surety bonds and letters of credit shall be in the form satisfactory to the City Attorney's Office and issued by surety companies, banks/institutions satisfactory to the Airport Director.

This document and the permit to which it refers are issued by the Airport Commission.

DATE: _____

AUG 03 2004

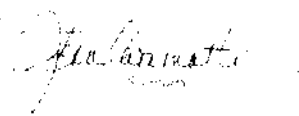


EXHIBIT A-1
FORM OF PERFORMANCE BOND FOR AIRPORT LEASES/PERMITS

_____ (Surety)

KNOW ALL MEN BY THESE PRESENT:

That we, _____, as Principal, and _____, a corporation duly organized and existing under and by virtue of the laws of the State of _____, as Surety, are held and firmly bound unto the City and County of San Francisco, acting by and through its Airport Commission, as Obligee, in the sum of _____ Dollars (\$ _____) lawful money of the United States of America, to be paid to the City and County of San Francisco, acting by and through its Airport Commission, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and successors, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into one or more leases, permits, or agreements with the City and County of San Francisco, Airport Commission (collectively, the "Agreements").

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall perform all terms of the Agreements (which by reference are made a part hereof), including the payment of rent or fees, in accordance with the terms of such Agreements, then this obligation shall be null and void, otherwise to remain in full force and effect; and shall be effective _____.

This bond may be called upon by Obligee by a notice sent to the Surety in person or by registered mail, overnight mail, overnight courier service, or other courier service sent to our offices at:

_____.

Any such call by Obligee shall include a statement signed by the Airport Director of the Airport Commission of the City and County of San Francisco, or his/her designee, to the effect that any of the following events has occurred or is continuing:

- a) Principal has defaulted under one or more of the Agreements; or
- b) Principal has become insolvent, or has taken the benefit of any present or future insolvency statute, or has made a general assignment for the benefit of creditors, or has filed a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or any state thereof, or any jurisdiction available to Principal, or has consented to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or
- c) A petition under any of the federal bankruptcy laws or an action under any present or future insolvency law or statute has been filed against Principal; or

- d) This bond is cancelled, terminated, or not renewed, and City has not received an acceptable replacement letter of credit or bond at least thirty (30) days prior to the cancellation, termination, or expiration date.

We shall honor and pay on such call within ten (10) days after receipt.

We shall give you notice in writing by registered mail at least forty-five (45) days prior to the cancellation date, termination date or expiration date of this bond, if any is stated, of our intention to cancel, terminate, or non-renew this bond. In the event we fail to give such notice promptly, then this bond shall be deemed renewed for an additional one-year period.

Signed, sealed and dated this _____ day of _____.

Principal: By: _____

Title: _____

Seal: _____

Surety Company: By: _____

Title: _____

Seal: _____

(Attach Notary Public Certificate and Attorney-in-Fact form)

EXHIBIT A-2
FORM OF LETTER OF CREDIT FOR AIRPORT LEASES/PERMITS

Date _____

Irrevocable Letter of Credit No. _____

Airport Commission
City and County of San Francisco
Att'n: Deputy Director, Business & Finance
San Francisco International Airport
International Terminal, No. Shoulder Bldg., 5/F
PO Box 8097
San Francisco, CA 94128

Ladies and Gentlemen:

We hereby establish an irrevocable letter of credit in your favor in the amount of _____ United States Dollars (US \$_____) for the account of _____ ("Account Party"), available by your draft at sight, when accompanied by the following document:

A statement signed by the Airport Director of the Airport Commission of the City and County of San Francisco, or his/her designee, to the effect that any of the following events has occurred or is continuing:

- a) Account Party has defaulted under the one or more agreements with the City and County of San Francisco, acting by and through its Airport Commission at San Francisco International Airport; or
- b) Account Party has become insolvent, or has taken the benefit of any present or future insolvency statute, or has made a general assignment for the benefit of creditors, or has filed a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or any state thereof, or any jurisdiction available to Account Party, or has consented to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or
- c) A petition under any of the federal bankruptcy laws or an action under any present or future insolvency law or statute has been filed against Account Party; or
- d) This letter of credit is cancelled or not renewed, and City has not received an acceptable replacement letter of credit or bond at least thirty (30) days prior to the cancellation or expiration date.

Drafts drawn under and in compliance with the terms of this letter of credit will be duly honored by us upon presentation and delivery of the statement specified above. Partial draws are permitted. Such drafts

may be presented in person or by registered mail, overnight mail, overnight courier service, or other courier service sent to our offices at: _____.

We shall give you notice in writing by registered mail at least forty-five (45) days prior to the cancellation date or expiration date of this letter of credit, if any is stated, of our intention to cancel or non-renew this letter of credit. In the event we fail to give such notice promptly, then this letter of credit shall be deemed renewed for an additional one-year period. Notwithstanding the foregoing, this letter of credit shall finally expire on _____, 20__.

Sincerely,

EXHIBIT B

**OFF AIRPORT CAR RENTAL
COURTESY VEHICLE OPERATOR
COMMERCIAL GROUND TRANSPORTATION
NON-EXCLUSIVE OPERATING PERMIT**

by and between

**Andre Haddad
RelayRides Inc
dba
RelayRides Inc**

as Permittee

and

**CITY AND COUNTY OF SAN FRANCISCO,
ACTING BY AND THROUGH ITS AIRPORT COMMISSION**

Mayor Edwin M. Lee

AIRPORT COMMISSION

**Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenheimer
Hon. Peter A. Stern**

April 9, 2014

Permit 10742
TCP EXEMPT

**OFF-AIRPORT CAR RENTAL
COURTESY VEHICLE OPERATOR
COMMERCIAL GROUND TRANSPORTATION
NON-EXCLUSIVE OPERATING PERMIT**

OF RelayRides, Inc. [PERMITTEE]

dba: RelayRides, Inc.

AT SAN FRANCISCO INTERNATIONAL AIRPORT

PERMIT SUMMARY

For the convenience of Permittee and City (as such terms are defined below), this Permit Summary (this "**Summary**") summarizes certain terms of this Permit (as defined below). This Summary is not intended to be a detailed or complete description of this Permit, and reference must be made to the other Sections below for the particulars of this Permit. In the event of any inconsistency between the terms of this Summary and any other provision of this Permit, such other provision shall prevail. Capitalized terms used elsewhere in this Permit and not defined elsewhere shall have the meanings given them in this Summary.

Reference Date: March 28, 2014

(Date Permit signed by Permittee)

Permittee Name: RelayRides, Inc.

dba: RelayRides, Inc.

Permittee's RelayRides, Inc.

Notice Address: Att'n: Andre Haddad

(§ 11.1) 116 Natoma Street, Floor 3

San Francisco, CA 94105

Fax No. _____

Tel. No. (650) 387-9550

Email: andre@relayrides.com

City: The City and County of San Francisco, a municipal corporation, acting by and through its Airport Commission

City's Notice San Francisco International Airport

Address: Att'n: Ground Transportation Permit Processing Unit

(§ 11.1) PO Box 8097

San Francisco, CA 94128-8097

Tel. No. (650) 821-3600

Fax No. (650) 821-3606

Designated Those pick-up and drop-off areas designated from time to time by the

Areas: Director for the Permitted Use. As of the date hereof, the areas so

(§ 1) designated are described on *Exhibit A*.

**OFF-AIRPORT CAR RENTAL COURTESY VEHICLE OPERATOR
COMMERCIAL GROUND TRANSPORTATION
NON-EXCLUSIVE OPERATING PERMIT**

OF RelayRides, Inc. **[PERMITTEE]**

dba: RelayRides, Inc.

AT SAN FRANCISCO INTERNATIONAL AIRPORT

THIS OFF-AIRPORT CAR RENTAL COURTESY VEHICLE OPERATOR COMMERCIAL GROUND TRANSPORTATION NON-EXCLUSIVE OPERATING PERMIT (this "**Permit**"). dated as of the Reference Date, is entered into by and between Permittee, and the City and County of San Francisco, a municipal corporation, acting by and through its Airport Commission ("**City**"), which, in turn, acts by and through its Director. This Permit is made with reference to the following facts:

A. The City and County of San Francisco owns the San Francisco International Airport (the "**Airport**") located in the County of San Mateo, State of California, which Airport is operated by and through the Airport Commission, the chief executive officer of which is the Airport Director ("**Director**").

B. The Airport has constructed and operates a rental car facility, the SFO Rental Car Center, to consolidate all rental car operations at the Airport at one central location at Plot D.

C. Permittee desires to operate at the Airport, and Director has determined that such operations, on the terms and conditions of this Permit, would be desirable for the Airport.

D. Concurrently herewith, Permittee has applied for and obtained an off-Airport Rental Car Business Permit (the "**Business Permit**") pursuant to which Permittee has the right to conduct the Permitted Use described herein.

Accordingly, Permittee and City agree as follows:

I. PERMIT

1.1 Permittee's Right to Use Designated Areas. City, acting by and through Director, grants to Permittee a revocable, personal privilege to use, in common with others so authorized, the Designated Areas to provide the Permitted Use, subject to the terms and conditions hereinafter set forth. As described below, this Permit may be revoked by Director at any time, without cause. This Permit gives Permittee a license only. Nothing in this Permit shall be construed as granting or creating any franchise rights pursuant to any federal, state or local laws. Permittee's rights to use the Designated Areas shall be on a non-exclusive basis.

1.2 Rights of Ingress and Egress. Permittee shall have the non-exclusive rights of ingress and egress across Airport property on the Designated Routes to conduct its permitted operations hereunder provided that such ingress and egress activity: (a) shall not impede or interfere unduly with the operation of Airport by City or the use of the Airport by its tenants, passengers, or employees; (b) shall be subject to Airport Rules and Regulations, as amended from time to time (as amended, the "**Airport Rules**"), including those pertaining to badge, permitting, and other security requirements, and the requirements of this Permit; (c) shall be on the Designated Route; and (d) may be suspended or revoked by Director in the event of an emergency or a threat to the Airport.

1.3 Changes to Airport. Permittee acknowledges and agrees that (a) City shall have the right at all times to change, alter, expand, and contract the Airport, including the terminals, roadways, and designated pick-up, drop-off, and staging areas; (b) City has made no representations, warranties, or covenants to Permittee regarding the design, construction, passenger or automobile traffic, or views of the Airport. Without limiting the generality of the foregoing, Permittee acknowledges and agrees that the Airport (i) is currently undergoing, and may from time to time hereafter undergo, renovation, construction, and other Airport modifications; and (ii) may from time to time adopt rules and regulations relating to security and other operational concerns that may affect Permittee's business.

1.4 "As-Is" Condition. Permittee accepts the Designated Areas in their present condition and "as-is", without representation or warranty of any kind, and subject to all applicable Laws (as defined below). City shall have no obligation to alter, renovate, or otherwise change the Designated Areas. City shall have no obligation to provide utility services to the Designated Areas.

2. **COMMENCEMENT DATE; REVOCATION**

2.1 Commencement Date. This Permit shall be effective on the "**Commencement Date**" shall be deemed to occur, on the date on which all of the following conditions precedent are satisfied, in Director's sole discretion:

(a) Director shall have received certificates evidencing that Permittee has obtained all insurance required by this Permit.

(b) Director shall have received the Deposit in the Deposit Amount.

(c) Permittee shall have obtained an Airport identification decal and automatic vehicle identification device(s) (sometimes referred to as "**transponder(s)**") from the Airport and attached to each of its vehicles by City, its agent or employees, except if such device is not available and/or the requirement is temporarily waived by Director.

(d) Permittee shall have filed with the Airport a description of each vehicle proposed for use on the Airport, included Vehicle Identification Number, commercial license plate number, company identification number, and vehicle type and obtained the Director's approval of each vehicle proposed for use on the Airport. To the extent the Director shall have conditioned his or her approval of these items, such conditions shall

be incorporated herein and Permittee shall abide by such conditions.

(e) Permittee shall have filed with the Director all items required by Section 3.3 [Transportation Requirements].

(f) Director shall have received two (2) duplicate originals of this Permit, fully-executed by Permittee and City.

2.2 Revocation; Termination. This Permit shall continue in force until revoked or mutually terminated as hereinafter provided.

(a) This Permit is revocable at any time, in the sole and absolute discretion of Director. Such revocation shall be accomplished by giving thirty (30) days' prior notice to Permittee. Notwithstanding the foregoing, Director may also terminate the Permit upon the occurrence of an Event of Default (as defined below) without such 30-day notice.

(b) Permittee may terminate this Permit by giving thirty (30) days' prior notice to Director.

3. USE

3.1 Permitted Use. Permittee may use the Designated Areas only for the Permitted Use, and shall not conduct any activity or operations on the Airport not specifically included within the Permitted Use.

3.2 No Exclusivity. Permittee acknowledges and agrees that Permittee has no exclusive rights to conduct the business described herein and that Director may arrange with others for similar activities at the Airport.

3.3 Transportation Requirements. In conducting its operations consisting solely of the Permitted Use, without limiting the generality of other provisions of this Permit, Permittee shall strictly comply with the following transportation requirements as amended from time to time by the Director:

(a) Permittee shall at all times maintain in full force and effect and attach to each of its vehicles operating at the Airport an Airport identification decal and transponder issued or approved by the Airport prior to placing these vehicles in service at the Airport. City or other entity approved by City shall attach the transponder to each of Permittee's vehicles. If issued by the Airport, City shall provide to Permittee the first transponder per vehicle. In the event such transponder is stolen or lost, Permittee shall replace the same, at its own cost. The cost of each replacement transponder shall be determined by Director. The loss of any transponder approved or issued by Airport must be reported to the Ground Transportation Permit Processing Unit within twenty-four (24) hours of its occurrence. All Airport decals and transponders issued by the Airport must be returned to the Airport if vehicle is not being used in providing service to and from the Airport.

(b) Permittee shall use the Designated Areas and Designated Route approved by the Director. Designated Area utilization shall be limited to the time required for the immediate loading and unloading passengers. No courtesy vehicles shall be permitted in the terminal complex and all passenger loading and unloading shall be in the Designated Area of the SFO Rental Car Center.

(c) Permittee shall not pick up any other patrons unless authorized by the Director.

(d) Permittee shall report to Director, on forms provided for that purpose, the California State Vehicle Identification Number, license plate number, company identification, if any, and vehicle type for each of Permittee's vehicles used for its operation at the Airport.

(e) Permittee shall cause all of its vehicles operating at the Airport (i) to have identical color schemes and marking, so as to be readily identifiable as belonging to Permittee; and (ii) to display the name of Permittee, or its "d.b.a.", on the rear and sides of each vehicle, in a type style and size so as to be readily identifiable. No magnetic signs are permitted without specific approval of Director.

(f) Each vehicle, operated under this Permit shall be clean inside and out, free of exterior body damage, excessive interior wear and smoke odor; mechanically safe and in excellent working order, as required under the California Vehicle Code. Director reserves the right to object to any of Permittee's vehicles and to require that the vehicle be cleaned, or repaired or removed from service.

(g) Permittee shall file with the Director a photograph identifying the color scheme and markings common to Permittee's vehicles and distinguish them visually from vehicles used by other operators.

(h) All of Permittee's drivers and company representatives must wear a visible identification card issued by the company that includes a color photograph of the employee and the employee's name.

3.4 Staging Area. The Director may establish and construct a staging area for commercial vehicles providing ground transportation services. The Director may require that all vehicles not actively loading or unloading passengers shall be parked in the staging area. City reserves the right to charge a fee for use of the staging area in an amount determined by the Director at his sole discretion. Use of the staging area shall be limited to one hour or the posted time limits, whichever period is shorter. No vehicles shall stage, wait or park in any other areas of the Airport other than the designated loading/unloading zones or designated staging area.

3.5 No Advertising or Promotions. Permittee shall not conduct any advertising or promotional activities on the Airport. Without limiting the generality of the foregoing, (a) no posting of room rates or transportation fares shall be allowed on the exterior of Permittee's vehicles, and (b) in no event will any advertising of cigarette or tobacco products be permitted. Permittee may, with Director's consent, display its company name and/or logo on its vehicles.

3.6 General Prohibited Activities. Without limiting any other provision herein, Permittee shall not, without the prior written consent of Director: (a) cause or permit anything to be done, in or about the Designated Areas, or bring or keep anything thereon which might (i) increase in any way the rate of fire insurance on the Airport; (ii) create a nuisance; (iii) in any way obstruct or interfere with the rights of others on the Airport or injure or annoy them; (b) commit or suffer to be committed any waste upon the Designated Areas; (c) use, or allow the Designated Areas to be used, for any improper, immoral, unlawful or objectionable purpose; (d) place any loads upon the floor, walls or ceiling which endanger the structure or obstruct the sidewalk, passageways, stairways or escalators, in front of, within, or adjacent to the Terminal Building Complex or the roadways; or (e) do or permit to be done anything in any way tending to injure the reputation of City or appearance of the Airport.

3.7 Other Prohibited Activities. Without limiting the generality of other provisions of this Permit, the following activities are prohibited by Permittee, Permittee's employees or independent contractors:

- (a) Picking up or discharging passengers or their baggage at any terminal level or location other than in Designated Areas;
- (b) Leaving the vehicle unattended, except in designated staging areas;
- (c) Failing to maintain the interior and exterior of the vehicle in a clean condition;
- (d) Littering of the staging area or the Designated Area;
- (e) Failing to provide information or providing false information to Airport personnel;
- (f) Switching or altering of staging trip tickets or any tickets issued by the Airport;
- (g) Driving in a vehicle that does not bear a valid identification decal or a transponder approved or issued by the Airport;
- (h) Taking a route other than the Designated Route to pick-up or drop-off customers;
- (i) Soliciting passengers on Airport property, including at the SFO Rental Car Center;
- (j) Picking up or discharging passengers or their baggage at any Airport location other than the Designated Areas at the SFO Rental Car Center;
- (k) Using or possessing any alcoholic beverage while on duty;
- (l) Failing to operate a vehicle in a safe manner as required by the California Vehicle Code;

- (m) Failing to comply with posted speed limits and traffic control signs;
- (n) Using profane or vulgar language in the presence of any member of the public;
- (o) Soliciting for or on behalf of any hotel, motel, club, nightclub or other business;
- (p) Soliciting of any activity prohibited by the California Penal Code;
- (q) Failing to maintain a neat personal appearance;
- (r) Operating a vehicle which is not in a safe mechanical condition or which lacks mandatory safety equipment as defined in the California Vehicle Code and the California Bureau of Automotive Repair;
- (s) Disconnecting any pollution control equipment;
- (t) Using or possessing any dangerous drug or narcotic while on duty;
- (u) Double parking on Airport roadways;
- (v) Engaging in any conduct or activity intended to or apparently intended to ask, implore or persuade a passenger to alter his or her previously chosen mode of ground transportation or specific ground transportation operator;
- (w) Damaging, removing, detaching, breaking, tampering or otherwise attempting to disable a transponder;
- (x) Engaging in any criminal activity.

3.8 Inspections; Audit of Operations. At any time, City may conduct an audit of Permittee's operations at the Airport to confirm that such operations comply with the requirements set forth herein. Permittee shall cooperate with such audit. In the event such audit shows that Permittee is not complying with such requirements, without limiting City's ability to call a default hereunder, City may require that Permittee reimburse City for the costs of such audit. Permittee shall promptly remedy any noncompliance shown in any such audit.

3.9 Representative of Permittee. Permittee shall provide Airport with name, address, telephone and fax numbers for at least one qualified representative authorized to represent and act for it in matters pertaining to its operation, and shall keep Director informed in writing of the identity of each such person.

4. ASSIGNMENT

4.1 No Assignment. Permittee shall not assign, encumber, or otherwise transfer, whether voluntary or involuntary or by operation of law, this Permit, or any right hereunder.

without Director's prior written consent, which consent may be granted or denied in Director's sole and absolute discretion (the term "**Transfer**" shall mean any such assignment, encumbrance, or transfer). Director's consent to one Transfer shall not be deemed consent to subsequent Transfers. Any Transfer made without Director's consent shall constitute a default hereunder and shall be voidable at Director's election.

4.2 Changes in Permittee. The merger of Permittee with any other entity or the transfer of any controlling ownership interest in Permittee, or the assignment or transfer of a substantial portion of the assets of Permittee shall constitute a Transfer. Without limiting the generality of the foregoing, if Permittee is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law of the partner or partners owning fifty-one percent (51%) or more of the partnership, or the dissolution of the partnership, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of the partnership, shall be deemed a Transfer. If Permittee is a corporation or limited liability company, any dissolution, merger, consolidation or other reorganization of Permittee, or the sale or other transfer of a controlling percentage of the capital stock or membership interests of Permittee, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of Permittee, shall be deemed a Transfer. The phrase "**controlling percentage**" means the ownership of, and the right to vote, stock or interests possessing at least fifty-one percent (51%) of the total combined voting power of all classes of Permittee's capital stock or interests issued, outstanding and entitled to vote for the election of directors. Without limiting the restrictions on asset transfers, this paragraph shall not apply to stock or limited liability company interest transfers of corporations or limited liability companies the stock or interests of which is traded through an exchange or over the counter.

4.3 No Release. In no event will Director's consent to a Transfer be deemed to be a release of Permittee as primary obligor hereunder.

5. COMPLIANCE WITH LAWS

At all times, Permittee shall cause its use of the Airport and its operations hereunder to comply with all present and future federal, state and local laws, rules, regulations, ordinances and amendments thereto, whether foreseen or unforeseen, ordinary as well as extraordinary, including but not limited to those relating to (a) health and safety, especially those pertaining to public safety such as safe driving practices, seat belts, child seats and drug testing; (b) disabled access, including the Americans with Disabilities Act, 42 U.S.C.S. Sections 12101 et. seq. and Title 24 of the California Code of Regulations, (c) Hazardous Materials (as defined below); and (d) transportation (collectively "**Laws**"), the Airport Rules, and any Directives (as defined below). As used herein the term "**Directives**" shall mean any rules, regulations, or requirements made by City, directives and Airport Operating Bulletins of Director, and all oral and/or written instructions given to Permittee by the Airport through Landside Operations or designated City agent. City and each City Entity (as defined below) shall have no liability and Permittee waives any liability for any diminution or deprivation of Permittee's rights hereunder pursuant to this Section 6. As used herein, the term "**City Entity**" shall mean City, the Airport Commission, its members, all officers, agents, and employees of each of them, and their successors and assigns.

6. WAIVER; INDEMNITY; INSURANCE

6.1 Waiver. Permittee covenants and agrees that City shall not at any time to any extent whatsoever be liable, responsible or in anywise accountable for, and Permittee waives and releases any claim (including any claim for contractual or implied indemnity) against City, for Losses which (a) at any time after the Reference Date may be suffered or sustained by Permittee or any Permittee Entity arising out of Permittee's operations, or (b) are caused in whole or in part by any act or omission (whether negligent, non-negligent or otherwise) of Permittee or any Permittee Entity, whether or not such Losses shall be caused in part by any act, omission or negligence of any City Entity, except if caused solely by the gross negligence or willful misconduct of City.

6.2 Indemnity. In addition to, and not in limitation of the foregoing, Permittee shall indemnify, and save harmless City and its officers, agents and employees, and, if requested, shall defend them from and against any and all Losses caused in whole or in part by (a) any act or omission of Permittee or any Permittee Entity, (b) Permittee's operations at the Airport, or (c) any default by Permittee or any Permittee Entity in the observance or performance of any of the terms, covenants, or conditions of this Permit, whether or not any such Losses shall be caused in part by any act, omission or negligence of City or any City Entity, except if caused solely by the gross negligence or willful misconduct of City.

6.3 "Losses". For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorneys' fees, investigation costs, remediation costs, and court costs), of any kind or nature.

6.4 Notice. Without limiting the foregoing waiver and indemnity, each party hereto shall give to the other prompt and timely written notice of any Loss coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.

6.5 Insurance. Permittee shall procure and maintain during the term of this Permit the following insurance:

(a) Workers' Compensation Insurance in statutory limits with Employer's Liability limits not less than **\$1,000,000** each accident.

(b) General Automobile Liability Insurance with limits not less than those required by the California Public Utilities Commission (CPUC) for each occurrence Combined Single Limit for Bodily Injury and Property Damage, including employer's non-ownership liability and hired automobile coverages, as applicable. As of September 1, 2002, a minimum of **\$750,000** in general automotive liability insurance coverage is required for vehicles designed to carry up to 8 passengers including the driver, a minimum of **\$1,500,000** in general automotive liability insurance coverage is required for vehicles designed to carry from 9 to 15 passengers, and a minimum of **\$5,000,000** in general automotive liability insurance coverage is required for vehicles designed to carry more than 16 passengers.

(c) Comprehensive General Liability Insurance with limits not less than **\$1,000,000** each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products Liability, Independent Contractor Liability and Completed Operations Coverages, covering Permittee's operations at and around the Airport.

6.6 Form of Policies. All insurance required by Permittee hereunder shall be pursuant to policies in form and substance and issued by companies satisfactory to City and City's City Attorney. City may, upon reasonable notice and reasonable grounds increase or change the required insurance hereunder, in which event Permittee shall obtain such required insurance. Without limiting the generality of the foregoing, all liability insurance policies, shall be endorsed or otherwise to provide the following:

(a) Name as additional insured the City and County of San Francisco, the Airport Commission and its members, and all of the officers, agents, and employees of each of them (collectively "**Additional Insureds**").

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Permit, and that insurance applies separately to each insured against whom claim is made or suit is brought. No other insurance effected by City will be called upon to contribute to a loss covered hereby.

(c) Severability of Interests (Cross Liability): The term "the insured" is used severally and not collectively, and the insurance afforded under the liability coverages applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability.

All policies shall provide that the insurance company shall provide thirty (30) days prior written notice to City of cancellation, or reduction in coverage or limits, delivered to City at City's Notice Address. Prior to issuance of the permit, Permittee shall provide evidence to City of proof of insurance coverage for a minimum period of not less than ninety (90) days.

6.7 Delivery of Policies or Certificates. On or before the Commencement Date, Permittee shall provide to City copies of its insurance certificates evidencing the above insurance, and, upon request, promptly provide copies of the required insurance policies. Permittee's insurer shall provide to Director a list of all vehicles covered under Permittee's Automobile Liability policy.

6.8 Subrogation. Notwithstanding anything to the contrary herein, Permittee waives any right of recovery against City for any loss or damage to the extent the same is covered by Permittee's workers' compensation and property insurance. Permittee shall obtain from its insurer, if possible, a waiver of subrogation the insurer may have against City or any City Entity in connection with any Loss covered by Permittee's property insurance policy.

6.9 Coverage. All vehicles operated by Permittee or any Permittee Entity must be insured under Permittee's Automobile Liability Policy; and all employees operating vehicles under this Permit, must be covered under Permittee's General Liability and Workers' Compensation policies. Any vehicles operated by independent contractors under this Permit, that are not covered under Permittee's Automobile Liability, General Liability, and Workers' Compensation policies must be separately insured and proof of such insurance must be provided to the Director prior to the vehicle commencing operations at the Airport. Permittee may not add vehicles to its fleet, nor operate existing vehicles, unless such vehicles are insured according to the limits and coverages specified in this Permit.

7. DEPOSIT

7.1 Form of Deposit. Upon execution of this Permit, Permittee will deliver to Director a security deposit (the "**Deposit**") equal to the minimum Deposit amount specified in the Permit Application. Such Deposit shall be in the form of (a) a surety bond payable to the City, naming City as obligee, and otherwise in form satisfactory to City's City Attorney, and issued by a surety company satisfactory to Director, or (b) a letter of credit naming City as beneficiary, and otherwise in form satisfactory to City's City Attorney, issued by a bank satisfactory to Director. With Director's consent, Permittee shall be permitted to submit as a Deposit a certificate of deposit, certified check, cashier's check, or money order, all in form satisfactory to Director, in the Deposit Amount, to the extent the same is permitted by Commission policy. Such Deposit shall be reviewed and adjusted annually, all at Permittee's cost, such that at all times, the Deposit is equal to the amount specified by the Director. Such bond or letter of credit shall be kept in full force and effect at all times to ensure the faithful performance by Permittee of all covenants, terms and conditions of this Permit. Permittee shall cause the surety company or bank issuing such bond or letter of credit to give Director notice in writing by registered mail at least forty-five (45) days prior to the expiration date of such bond or letter of credit of its intention not to renew said bond or letter of credit.

7.2 Use of Deposit. If Permittee fails to pay any amounts owing hereunder or otherwise defaults with respect to any provision of this Permit, City may use, apply or retain all or any portion of the Deposit for the payment of such amounts or other charge in default or for the payment of any other sum to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. If City so uses or applies all or any portion of the Deposit, Permittee, within ten (10) days after demand therefor, shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof. In the event the surety company or bank declines to renew or elects to cancel the bond or letter of credit comprising the Deposit, Permittee shall, at least fifteen (15) days prior to the expiration or cancellation date thereof, replace such bond or letter of credit with another bond or letter of credit. If Permittee fails to do so, City may, without notice to Permittee, draw on the entirety of the Deposit and hold the proceeds thereof as security hereunder. City shall not be required to keep the Deposit separate from its general accounts. If Permittee performs all of Permittee's obligations hereunder, the Deposit, or so much thereof as has not theretofore been applied by City, shall be returned, without payment of interest or other increment for its use, to Permittee (or, at City's option, to the last assignee, if any, of Permittee's interest hereunder) upon the revocation or termination of this Permit. No trust relationship is created herein between City and Permittee with respect to the Deposit.

8. DEFAULT; REMEDIES

8.1 Event of Default. The occurrence of any one or more of the following events shall constitute a breach of this Permit and an "**Event of Default**" hereunder:

(a) Permittee shall fail duly and punctually to pay any payment required hereunder, when due to City, and such failure shall continue beyond the date specified in a written notice of such breach or default from Director, which date shall be no earlier than the third (3rd) day after the effective date of such notice. Notwithstanding the foregoing, in the event there occur two (2) defaults in the payment of any payment under this Permit, thereafter Permittee shall not be entitled to, and City shall have no obligation to give, notice of any further defaults in payment. In such event, there shall be deemed to occur an "**Event of Default**" immediately upon Permittee's failure to duly and punctually pay any payment hereunder; or

(b) Permittee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof, or consent to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or

(c) A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, is filed against Permittee and is not dismissed within thirty (30) days after the filing thereof; or

(d) A Transfer occurs without the prior approval of the City; or

(e) Permittee fails to provide the Deposit within five (5) days after the Reference Date or fails to maintain in full such Deposit at all times thereafter, and such failure shall continue for a period of more than three (3) days after delivery by Director of written notice of such failure; or

(f) Permittee fails to obtain and maintain the insurance required hereunder, or provide copies of the policies or certificates to City as required herein; or

(g) Permittee fails to keep, perform and observe each and every other promise, covenant and agreement set forth in this Permit, and such failure continues for a period of more than three (3) days after delivery by Director of a written notice of such failure (the "**First Notice**"); or if satisfaction of such obligation requires activity over a period of time, if Permittee fails to commence the cure of such failure within three (3) days after receipt of the First Notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within one hundred twenty (120) days after the giving of the First Notice; or

(h) During the course of transporting passengers to or from the Airport,

Permittee, Permittee's employees or independent contractors engage in criminal activity;
or

(i) A default occurs under any other agreement between Permittee and City, including the Other Agreements, if any, and such default is not cured as may be provided in such agreement; provided, however, that nothing herein shall be deemed to imply that Permittee shall be entitled to additional notice or cure rights with respect to such default other than as may be provided in such other agreement.

8.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, City shall have the following rights and remedies in addition to all other rights and remedies available to City at law or in equity:

(a) City may elect to terminate this Permit; and

(b) City may elect to terminate any other agreement between Permittee and City, including the Other Agreements, if any.

Nothing herein shall be deemed to limit City's right to revoke this Permit as provided in Section 2 [Commencement Date: Revocation] of this Permit. Without limiting the generality of the foregoing, Permittee shall be liable to City for all detriment, including monetary damages, caused by Permittee's default hereunder.

8.3 City's Right to Perform. All agreements and provisions to be performed by Permittee under any of the terms of this Permit shall be at its sole cost and expense. If Permittee shall fail to pay any sum of money required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after notice thereof by City, City may, but shall not be obligated to do so, and without waiving or releasing Permittee from any obligations of Permittee, make any such payment or perform any such other act on Permittee's part to be made or performed as provided in this Permit. All sums so paid by City and all necessary incidental costs shall be payable to City on demand.

8.4 Cumulative Rights. The exercise by City of any remedy provided in this Permit shall be cumulative and shall in no way affect any other remedy available to City under law or equity.

8.5 Fines.

(a) Pursuant to Appendix B, Section 1.4.7(E), of the Airport Rules, fines may be imposed or levied against Permittee, or the operators of Permittee's vehicles, for engaging in prohibited conduct. Specific fines for specific prohibited conduct are described in said Rules. In addition to the specific fines for specific prohibited conduct, the Airport may impose administrative sanctions in the amount of \$200 per violation for repeated violations of Appendix B, Section 1.4.7(E)(4), (7), (9), (10), (12), (17), (18), (19), (26), (30) of Airport Rules as cited by the San Francisco Police Department, Airport Bureau officers, Airport staff or as verified by the Airport's AVI system.

(b) If Permittee defaults under any of the Permit terms specified below, City may elect to impose administrative fines described below on the basis of per violation per day:

<u>Violation</u>	<u>Section</u>	<u>Fine</u>
Tampering with AVI Transponder	3.7(w)	\$500
Picking up or discharging in any area other than Designated Area	3.3(b), 3.7(j)	\$500
Failure to adhere to any other Use Provisions	3.3	\$200
Failure to provide required reports	4.4	\$100
Failure to maintain required insurance certificates	7	\$100
Failure to adhere to Designated Areas and Designated Routes	1.2	\$200
Engaging in other prohibited activities	3.8	\$100

City's right to impose the foregoing fines shall be in addition to and not in lieu of any and all other rights hereunder, in the Airport Rules, or at law or in equity. City shall have no obligation to Permittee to impose fines on or otherwise take action against any other permittee or tenant at the Airport. THE PARTIES HAVE AGREED THAT A VIOLATION OF ANY OF THE ABOVE TERMS SHALL RESULT IN CITY INCURRING DAMAGES WHICH ARE IMPRACTICAL OR IMPOSSIBLE TO DETERMINE. THE PARTIES HAVE AGREED THAT THE ABOVE FINES ARE A REASONABLE APPROXIMATION OF SUCH DAMAGES.

9. HAZARDOUS MATERIALS

9.1 Definitions. As used herein, the following terms shall have the meanings hereinafter set forth:

(a) "**Environmental Laws**" shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Materials, whether now in effect or hereafter adopted.

(b) "**Hazardous Materials**" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal,

state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. "Hazardous Material" includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, also commonly known as the "Superfund" law, as amended (42 U.S.C. Sections 9601 et seq.) ("CERCLA"), or pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and any materials listed in the Airport's Terminal Improvement Guide.

(c) "**Release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or on any property.

9.2 Permittee's Covenants. Neither Permittee nor any Permittee Entity shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Airport, or transported to or from the Airport.

9.3 Environmental Indemnity. Permittee shall indemnify, defend, and hold harmless City from and against any and all Losses arising during or after the term of this Permit as a result of or arising from: (a) a breach by Permittee of its obligations contained in the preceding Section 10.2 [Permittee's Covenants], or (b) any Release of Hazardous Material from, in, on or about the Airport caused by the act or omission of Permittee or any Permittee Entity.

9.4 Environmental Audit. Upon reasonable notice, Director shall have the right but not the obligation to conduct or cause to be conducted by a firm acceptable to City, an environmental audit or any other appropriate investigation of Permittee's operations for possible environmental contamination issues. Permittee shall pay all costs associated with said investigation in the event such investigation shall disclose any Hazardous Materials contamination as to which Permittee is liable hereunder.

10. CITY AND OTHER GOVERNMENTAL PROVISIONS

10.1 Charter. The terms of this Lease shall be governed by and subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco.

10.2 Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges contractors not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood or virgin redwood product.

10.3 No Representations. Permittee acknowledges and agrees that neither City nor any person on behalf of City has made, and City hereby disclaims, any representations or warranties, express or implied, regarding the business venture proposed by Permittee at the Airport, including any statements relating to the potential success or profitability of such venture.

Permittee represents and warrants that it has made an independent investigation of all aspects of the business venture contemplated by this Permit.

10.4 Limitation on Damages. Notwithstanding anything to the contrary herein, in no event will City or any City Entity be liable to Permittee or any Permittee Entity for any consequential, incidental, or special damages, or lost revenues or lost profits.

10.5 Sponsor's Assurance Agreement. This Permit shall be subordinate and subject to the terms of any "Sponsor's Assurance Agreement" or any like agreement heretofore or hereinafter entered into by City and any agency of the United States of America.

10.6 Federal Nondiscrimination Regulations. Permittee understands and acknowledges that City has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act of 1964, as effectuated by Title 49 of the Code of Federal Regulations, Subtitle A - Office of the Secretary of Transportation, Part 21, as amended, as a condition precedent to the government making grants in aid to City for certain Airport programs and activities, and that City is required under said Regulations to include in every agreement or concession pursuant to which any person or persons other than City, operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Permittee agrees as follows: "Permittee in its operation at and use of San Francisco International Airport, covenants that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of 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, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that the grantee, licensee, permittee, etc., shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended."

10.7 Federal Affirmative Action Regulations. Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Permittee assures that it will require that its covered sub-organizations provide assurances to Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

10.8 Nondiscrimination Requirements. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), height or weight against any employee of, any City Employee working with, or applicant for employment with,

Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee. Permittee shall include in any subcontracts permitted hereunder a non-discrimination clause applicable to the subcontractor in substantially the form of this Section.

10.9 Conflict of Interest. Permittee states that it is familiar with the provisions of Paragraph 15.103 of the City's Charter; Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code and Paragraph 87100 et seq. and Paragraph 1090 et seq. of the Government Code of the State of California and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Permit.

10.10 Declaration Regarding Airport Private Roads. Permittee hereby acknowledges and agrees that all roads existing at the date of execution hereof within the boundaries of the Airport, as shown on the current official Airport plan and as it may be revised, are the private property and private roads of the City and County of San Francisco, with the exception of that portion of the old Bayshore Highway which runs through the southern limits of the City of South San Francisco and through the northern portion of the Airport to the intersection with the North Airport Road as shown on said Airport Plan, and with the exception of that portion of the North Airport Road which runs from the off and on ramps of the State Bayshore Freeway to the intersection with said old Bayshore Highway as shown on said Airport Plan. It further acknowledges that any and all roads hereafter constructed or opened by City within the Airport boundaries will be the private property and road of City, unless otherwise designated.

10.11 Drug-Free Workplace. Permittee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Any violation of this prohibition by Permittee or any Permittee Entity shall constitute a default hereunder.

10.12 Compliance with Americans With Disabilities Act. Permittee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity, whether directly or through a contractor, must be accessible to the disabled public. Permittee shall provide the services specified in this Permit in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Permittee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Permit and further agrees that any violation of this prohibition on the part of Permittee, its employees, agents or assigns shall constitute a material breach of this Permit.

10.13 Pesticide Prohibition. Permittee shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "**Pesticide Ordinance**") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Permittee to submit to the Airport an integrated pest management ("**IPM**") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Permittee may need to apply to the Premises during the terms of this Lease, (b) describes the steps Permittee will take to meet the City's IPM Policy described in Section 300 of the Pesticide

Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as the Permittee's primary IPM contact person with the City. In addition, Permittee shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

10.14 Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Director's prior consent.

11. GENERAL PROVISIONS

11.1 Notices. Except as otherwise specifically provided in this Permit, any notice, demand, or other correspondence given under this Permit shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: (a) Permittee at Permittee's Notice Address; or (b) City at City's Notice Address; or (c) such other address as either Permittee or City may designate as its new address for such purpose by notice given to the other in accordance with this Section. Any notice hereunder shall be deemed to have been given and received and effective two (2) days after the date when it is mailed, if sent by first-class, certified mail; one day after the date when it is mailed if sent by Express Mail; or upon the date personal delivery is made. For convenience of the parties, copies of notices may also be given by facsimile to the number set forth in the Summary or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile.

11.2 No Implied Waiver. No failure by either party to insist upon the strict performance of any obligation of the other party under this Permit or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such term, covenant or condition. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver.

11.3 Entire Agreement. The parties intend that this Permit (including all of the attached exhibits, which are made a part of this Permit) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Permit shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Permit.

11.4 Amendments. Except as specifically provided herein, neither this Permit nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

11.5 Interpretation of Permit. The captions preceding the articles and sections of this Permit and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Permit. This Permit has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Permit. Provisions in this Permit relating to number of days shall be calendar days. Use of the word "including" shall mean "including, without limitation." References to statutes, sections, ordinances or regulations are to be construed as including all statutory, ordinance, or regulatory provisions consolidating, amending, replacing, succeeding or supplementing the statute, section, ordinance or regulation.

11.6 Successors and Assigns. Subject to the provisions of Section 5 [Assignment], the terms, covenants and conditions contained in this Permit shall bind and inure to the benefit of Permittee and City and, except as otherwise provided herein, their personal representatives and successors and assigns.

11.7 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Permit.

11.8 No Joint Venture. It is expressly agreed that City is not, in any way or for any purpose, a partner of Permittee in the conduct of Permittee's business or a member of a joint enterprise with Permittee, and does not assume any responsibility for Permittee's conduct or performance of this Permit.

11.9 Severability. If any provision of this Permit or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Permit, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Permit shall be valid and be enforceable to the full extent permitted by law.

11.10 Governing Law. This Permit shall be construed and enforced in accordance with the laws of the State of California.

11.11 Attorneys' Fees. In the event that either City or Permittee fails to perform any of its obligations under this Permit or in the event a dispute arises concerning the meaning or interpretation of any provision of this Permit, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Agreement, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

11.12 Survival of Indemnities. Expiration or termination of this Permit shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Permit, nor shall it effect any provision of this Permit that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Permit, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee.

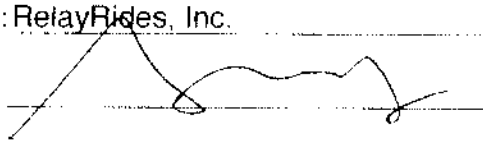
11.13 Joint and Several Liability. The liabilities hereunder of the entities and/or person(s) comprising Permittee shall be joint and several.

11.14 Authority. If Permittee signs as a corporation, a limited liability company, or a partnership, each of the persons executing this Permit on behalf of Permittee does hereby covenant and warrant that Permittee is a duly authorized and existing entity, that Permittee has and is duly qualified to do business in California, that Permittee has full right and authority to enter into this Permit, and that each and all of the persons signing on behalf of Permittee are authorized to do so. Upon City's request, Permittee shall provide City evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

11.15 Counterparts. This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

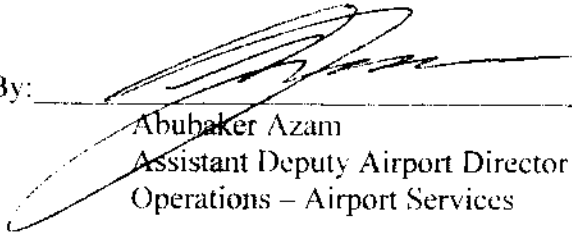
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IN WITNESS WHEREOF, the parties have executed this Permit as of the Reference Date.

PERMITTEE: RelayRides, Inc.
dba: RelayRides, Inc.
By: 
Name (Print): Andre Haddad
Title: CEO

CITY: CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation,
acting by and through its Airport Commission

John L. Martin
Airport Director

By: 
Abubaker Azam
Assistant Deputy Airport Director
Operations – Airport Services

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

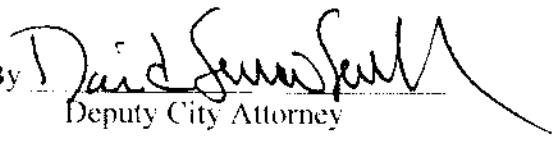
By: 
Deputy City Attorney

Exhibit A
Current Designated Areas

Off-Airport rental car Permittees shall have no terminal access. The Permitted Use is limited to provide courtesy ground transportation service between off-Airport rental car facility and the SFO Rental Car Center using Designated Routes and Designated Areas as specified herein.

	<u>Passenger Drop-Offs</u>	<u>Passenger Pick-Ups</u>
Off-Airport Rental Car Courtesy Ground Transportation Service	SFO Rental Car Center: Green and white curb at Island #3 under Rental Car Canopy.	SFO Rental Car Center: Green and white curb at Island #3 under Rental Car Canopy.

The Designated Areas referenced above may be changed from time to time by Director. All such use shall only be permitted during the times so designated by Director.

PROOF OF SERVICE

I, Catheryn M. Daly, declare as follows:

I am a citizen of the United States, over the age of eighteen years and not a party to the above-entitled action. I am employed at the City Attorney's Office of San Francisco, Fox Plaza Building, 1390 Market Street, Sixth Floor, San Francisco, CA 94102.

On June 10, 2019, I served the following document(s):

DECLARATION OF KRISTINE A. POPLAWSKI IN SUPPORT OF PLAINTIFF PEOPLE OF THE STATE OF CALIFORNIA AND CROSS-DEFENDANT CITY AND COUNTY OF SAN FRANCISCO'S OPPOSITION TO TURO INC.'S MOTION TO COMPEL FURTHER RESPONSES TO TURO'S SECOND SET OF SPECIAL INTERROGATORIES

on the following persons at the locations specified:

<p>Michael G. Rhodes Matthew D. Brown Benjamin H. Kleine Bethany Lobo Ashley Corkery Max A. Bernstein Amy McCowan Smith COOLEY LLP 101 California Street, 5th Fl. San Francisco, CA 94111-5800</p> <p>Telephone: (415) 693-2000 Facsimile: (415) 693-2222</p> <p><i>Attorneys for Defendant and Cross-Complainant Turo Inc.</i></p>	<p>rhodesmg@cooley.com brownmd@cooley.com bkleine@cooley.com blobo@cooley.com acorkery@cooley.com mbernstein@cooley.com amsmith@cooley.com</p>
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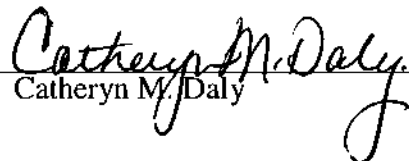
in the manner indicated below:

BY ELECTRONIC MAIL: Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be sent to the person(s) at the electronic service address(es) listed above. Such document(s) were transmitted *via* electronic mail from the electronic address: catheryn.daly@sfcityatty.org in portable document format ("PDF") Adobe Acrobat.

BY ELECTRONIC SERVICE: Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be served electronically through File & ServeXpress in portable document format ("PDF") Adobe Acrobat.

I declare under penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.

Executed June 10, 2019, at San Francisco, California.


Catheryn M. Daly