

GROUND TRANSPORTATION USE PERMIT

This Permit is made this _____ (____) day of _____ 2013 by and between the ARIZONA DEPARTMENT OF TRANSPORTATION, ADMINISTRATIVE SERVICES DIVISION (hereinafter referred to as “the State”) and _____ (hereinafter referred to as “Permitee”).

WITNESSETH

WHEREAS, the State, owns and operates **THE GRAND CANYON NATIONAL PARK AIRPORT** (hereinafter referred to as “**Airport**”) situated near Tusayan, Arizona, and,

WHEREAS, Permitee desires to be permitted to operate a ground transportation business.

NOW THEREFORE, in consideration of the faithful performance of the covenants and conditions set forth herein, the parties hereby agree as follows:

TERM: This Permit shall commence upon execution by the State and shall have an initial term of Thirty (30) days subject to renewal for like periods by the sole discretion of the State. Renewal shall occur unless the State gives written notice Fifteen (15) days prior to the end of the Thirty (30) days.

AUTHORIZATION: Permitee shall (at their own expense) be authorized to utilize such Airport facilities as are necessary to load and/or unload passengers (see Exhibit “A”); provided however Permitee shall not conduct, initiate and/or originate business from the Airport.

The State hereby assigns Permitee, its employees and their invitees, the right to use ONE (1) designated vehicle parking space(s), near the Airport Terminal building. The Airport Terminal building is located in the Terminal Main Parking Lot Center, as more specifically set forth on Exhibit “A.” Such space(s) shall be exclusively designated by the Airport Manager. The State reserves the right to redesignate this space(s) upon Thirty (30) days written notice. Each assigned parking space is designated for parking of One (1) vehicle only at any time.

RATES, FEES AND CHARGES: Permitee shall pay the rates, fees and charges pursuant to the Rules and Regulations in effect on the date of execution of this Permit by the State. On or before the tenth (10th) day of each month for the preceding month report Permitee’s business activity on the form prescribed by the State, a copy of which is attached as Exhibit “B.” Should said Rules and Regulations be amended at any time during the term of this Permit, Permitee shall pay the rates, fees and charges set forth in the amended Rules and Regulations for any rates, fees and charges that accrue on and after the effective date of the amendment.

MONTHLY PAYMENTS: On or before the tenth (10th) day of each month during the term hereof and any extensions or renewals hereof, Permitee shall pay to the State the monthly fees and all other fees as described in the Permit due to the State for the preceding month. The State shall not be obligated to invoice such fees.

INDEMNITY CLAUSE AND INSURANCE REQUIREMENTS

INDEMNIFICATION CLAUSE:

Permitee shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, Direct Damage losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation; hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Permitee or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Permitee to conform to any federal, state or local law, statute, ordinance, rule, regulation, court decree or airport rules. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Permitee from and against any and all claims. Indemnatee will at all times be responsible for Direct Damages. It is agreed that Permitee will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Permitee agrees to waive all right of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from this Permit.

Direct Damages (defined) – a loss arising naturally or directly from an occurrence and which excludes remote, indirect, consequential, or special losses or damages; such as loss of revenue or profit.

INSURANCE REQUIREMENTS:

Permitee shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Permit, are satisfied, insurance claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Permitee, their agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Permit and in no way limit the indemnity covenants contained in this Permit. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Permitee from liabilities that might arise out of the performance of the work under this Permit by the Permitee, their agents, representatives, employees or subcontractors and Permitee is free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Permitee shall provide coverage with limits of liability not less than those stated below:

1. **Airport General/Commercial General Liability – Occurrence Form**

-- Policy shall include bodily injury, property damage, personal injury and broad form contractual liability, and liquor liability (when applicable) to cover the premises and operations of those Permittees who are engaged in non-airline/aircraft activities.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$50,000
- Each Occurrence \$1,000,000

a. The Policy shall be endorsed to include the following additional insured language:

“The State of Arizona, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees shall be named as additional on behalf of the Permittee.”

b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Permittee.

2. **Business Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Permit.

- Combined Single Limit (CSL) of \$5,000,000 for vehicles carrying 9 or more passengers
- Combined Single Limit (CSL) of \$2,000,000 for vehicles carrying less than 9, but more than 4 passengers
- Combined Single Limit (CSL) of \$1,000,000 for vehicles carrying 4 or less passengers

a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Permittee, involving automobiles owned, leased, hired or borrowed by the Permittee.”***

b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, and its officers, officials,

agents, and employees for losses arising from work performed by or on behalf of the Permittee.

3. Worker’s Compensation and Employers Liability

Workers’ Compensation	Statutory
Employers’ Liability	
Each Accident	\$500,000
Disease – Each Employee	\$500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Permittee.
- b. This requirement shall not apply to: Separately, EACH Permittee or subcontractor exempt under A.R.S. 23-901, and when such Permittee or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

- 1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the Permittee, even if those limits of liability are in excess of those required by this Permit.
- 2. The Permittee’s insurance coverage shall be primary insurance with respect to all other available sources.
- 3. Coverage provided by the Permittee shall not be limited to the liability assumed under the indemnification provisions of this Permit.

NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to:

**Airport Manager
Grand Canyon National Park Airport
PO Box 3399
Grand Canyon, AZ 86023**

and shall be sent by certified mail, return receipt requested.

- C. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above required minimum insurer rating is sufficient to protect the Permittee from potential insurer insolvency.
- D. **SUBCONTRACTORS:** Permittees' certificate(s) shall include all subcontractors as insureds under its policies **or** Permittee shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- E. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- F. **CLAIMS:** Permittee shall give the State and the State shall give the Permittee prompt and timely notice of any claim made or service of process in any suit concerning any injury or damage. Any enumeration of specific insurance coverage amounts shall not limit or restrict the Permittee indemnity covenant set forth in this Permit.

RULES AND REGULATIONS: Permittee shall observe and comply with all laws, ordinances, rules, regulations and orders of the United States Government, the State of Arizona, the County of Coconino and all agencies thereof which may be applicable to its operations or to the operation, management, maintenance or administration of the Airport now in effect or hereafter promulgated.

Without limiting any other conditions set forth elsewhere in this Permit, Permittee shall comply with the specific State Rules and Regulations set forth in Exhibit "C," and the F.A.A. Provisions set forth in Exhibit "D" all of which are attached hereto and incorporated herein by this reference. Permittee further agrees to comply with any amendments to the foregoing that may be hereafter promulgated.

SECURITY PLAN: The State reserves the right to implement an Airport Security plan in a form acceptable to the Federal Aviation Administration limiting access of persons, vehicles and aircraft in and around the airfield and terminal areas of the Airport and to modify that plan from time to time as it deems necessary to accomplish its purposes. Permittee's activity shall at all times comply with the Security Plan.

PERMITEE'S ACKNOWLEDGEMENTS: Permittee shall abide by the following acknowledgements which are conditions of this Permit:

- A. **Exclusive Rights:** Permittee is an independent contractor and not an agent of the State for any activity conducted by Permittee at the Airport location. Permittee agrees that no provision herein shall be construed to grant an exclusive aviation right as set forth in the Federal Aviation Act of 1958 §§308 (a); 49 U.S.C. §§1349.

- B. Airport Safety: Permittee agrees that the State shall have the sole right to impose future restrictions or obligations on Permittee's activities necessary for the safety, preservation of Airport facilities and protecting of the public interest.

TERMINATION: The State shall have the right to terminate this Permit in the event any of the following defaults continues unabated after the expiration of ten (10) days following Permittee's receipt of written notice from the State advising of the default:

- That Permittee voluntarily abandons its leasehold operation at the Airport
- That Permittee fails to timely pay any fee due hereunder, or a determination by the state that Permittee has refused or failed to perform or keep any of the covenants, terms or conditions on its part to be observed or performed herein
- That Permittee is in default or arrears on any other account in which the State of Arizona is an aggrieved party
- The State shall have the additional right to terminate this Permit for the convenience of the State without cause upon the giving of thirty (30) days written notice to the Permittee. In addition, the State reserves the right to immediately terminate this Permit in the event the State determines it is necessary for safety or similar reasons in the best interest of the State.
- Further, this Permit is subject to cancellation by the Governor pursuant to the terms of A.R.S. §38-511.

ASSIGNMENT OR TRANSFER: Permittee shall not sublet, assign (assignment shall include any stock transfer), sell or transfer all or any portion of its authorization under this agreement apart from Permittee's leasehold interest or Permit any other person, firm, corporation or entity to use or occupy the described premises. Permittee's authorization under this Permit may be the subject of an assignment or transfer in connection with a sale, assignment or transfer of Permittee's leasehold interest with the prior written consent of the State.

Permittee shall not cause any lien or encumbrance to be placed against the equipment utilized under this agreement without prior written consent of the State.

It is specifically stipulated and agreed that the Permittee will not enter into any tie-in agreements with other operators or sublet any of the rights herein whereby other operations share in privileges or the services authorized in this Permit or allow other operations to operate under this Permit.

RESTORATION OF PREMISES: Permittee shall, within thirty (30) days after the termination of this Permit unless otherwise requested by the State, remove all equipment and improvements made pursuant to this Permit and restore the premises to the condition they were at the commencement of this Permit, ordinary wear and tear accepted.

TAXES: Permittee shall pay all taxes and assessments and other impositions of any kind, which may be levied or assessed in connection with Permittee's use of the facility or equipment thereon.

INSPECTION: The State may enter upon Permittee's premises and at reasonable times for any purpose necessary, incidental to, or connected with the exercise of its governmental functions, or for fire protection or security purposes.

NOTICE: Notice(s) to the State are sufficient if personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to:

Airport Manager
Grand Canyon National Park Airport
PO Box 3399
Grand Canyon, AZ 86023

Notice(s) to Permittee are sufficient if personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to:

Co. name
address
city state and zip code
Tele.
Facsimile

ATTORNEY'S FEES: In the event of litigation between the State and Permittee to enforce the rights or obligations provided by this Permit, the non-prevailing party shall pay for the prevailing party's reasonable attorney's fees and costs of litigation as may be determined by the Court.

SIGNS: Subject to written approval, Permittee may install and maintain, at its expense, signs advertising its services at locations approved by the Airport Manager. All sign space will be charged at the current rates set forth in the Rules and Regulations subject to the provisions of the "Rates, Fees, and Charges" provision above.

IN WITNESS WHEREOF, the parties hereto have caused this Permit to be executed on the date and year first above written.

THE STATE:

PERMITEE:

State of Arizona, a body politic

By: _____

By: _____

Print Name

Print Name

Title

Title