



Michael J. Garcia, Mayor

Date: February 13, 2026

To: Mayor Michael J. Garcia and Governing Body
Public Works & Utilities and Finance Committees

Via: Brian J. Moya, Interim City Manager

BM

From: Jimmy Gunn, Interim Director, Santa Fe Regional Airport

JG

Terry Lease, Manager, Asset Development

TL

Subject: Lease Agreement Between City of Santa Fe and Avis Budget Car Rental, LLC

ITEM AND ISSUE:

The Santa Fe Regional Airport respectfully requests your review and approval of a Lease Agreement between the City of Santa Fe (Santa Fe Regional Airport) and Avis Budget Car Rental, LLC; (Jimmy Gunn, jgunn@santafenm.gov; Terry Lease, tjlease@santafenm.gov).

BACKGROUND AND SUMMARY:

The City of Santa Fe owns and operates the Santa Fe Regional Airport (“Airport”) in the City of Santa Fe, County of Santa Fe, State of New Mexico. The Lease Agreement, if approved, will allow Lessee the use of 167 square feet of counter and office space in the Terminal Building, 19 “Ready/Return” parking spaces in the Short-term Parking Lot in front of the Terminal, 7 parking spaces in the Long Term Parking Lot for staging and cleaning of vehicles and 27,353 square feet of fenced parking in the Gate 16 Parking Lot for long and short-term vehicle parking.

The initial term of the proposed Lease Agreement is five (5) years, with two (2) option terms of five (5) years each. The base rent shall be \$49,914.20 per year (\$4,159.52 per month) and shall escalate at 2.5% per year.

PRIOR APPROVALS AND SUPPORTING INFORMATION:

FUNDING SOURCE:

\$\$\$\$\$ SOURCE/REVENUE: Expense Revenue

City Council

Alma G. Castro, District 1
Patricia Feghali, District 1

Elizabeth “Liz” Barrett, District 2
Paul C. Bustamante, District 2

Lee Garcia, Mayor Pro Tem, District 3
Pilar F.H. Faulkner, District 3

Jamie Cassutt, District 4
Amanda Chavez, District 4

Munis Org Name/Number: 5456050

Munis Object Name/Number: 460150

Budget Officer / Designee: Andy Hopkins Date: 02/16/2026

Budget Officer Comment/Exceptions: _____

PROCUREMENT METHOD:

The procurement method used was NMSA 1978, Section 13-1-98, Exempt

Real Property is exempt from Procurement

Chief Procurement Officer (CPO) / Designee: N/A - Exempt Date: _____

CPO Comment/Exceptions: _____

ASSOCIATED APPROVALS:

IT Components included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Vehicles included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Construction to City Facilities, Furniture, and/or Fixtures included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Is this an externally funded purchase? Yes | No

If yes, what is the issuing agency: _____

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Is this a Capital Asset or Project? Yes | No

Project Ledger Number: _____

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

ATTACHMENTS:

Lease Agreement

Certificate of Insurance

Real Property Determination

**LEASE AGREEMENT BETWEEN
THE CITY OF SANTA FE AND AVIS BUDGET CAR RENTAL, LLC**

This LEASE AGREEMENT (“Lease Agreement”) is made and entered into as of the date of the last signature (“Effective Date”), by and between the CITY OF SANTA FE, a charter municipality organized under the laws of New Mexico (“City” or “Lessor”) and AVIS BUDGET CAR RENTAL, LLC, a Delaware limited liability company, dba Avis Rent A Car, Budget Car Rental and Payless Car Rental (“Lessee”), collectively the “Parties.”

WHEREAS, the City owns and operates the Santa Fe Regional Airport (“Airport”) in the City of Santa Fe, County of Santa Fe, State of New Mexico; and

WHEREAS, operations at the Airport are subject to laws, rules, and regulations including Chapter 3 of the Santa Fe City Code of 1987 and the rules, fees, and minimum standards adopted thereunder; Chapter 64 of the New Mexico Statutes Annotated 1978 compilation, especially Article 1; 14 C.F.R. Parts 139, 158, and 170; and Federal Aviation Administration (“F.A.A.”) grant assurances, Order 5190.6B on airport operations as updated, and policies including those on airport revenue use (64 C.F.R. 7715, as amended) and hangar use (81 F.R. 38910, as amended); and

WHEREAS, services provided by Airport tenants benefit general aviation at the Airport, commercial aviation operators and passengers, and residents of the City and of Santa Fe County; and

WHEREAS the City operates a terminal building on the Airport known as Santa Fe Regional Airport Terminal (“Terminal”), located on the Airport at the end of Aviation Drive, Santa Fe, New Mexico for the purpose of providing safe and reliable air transportation services and supporting travel amenities; and

WHEREAS, Lessee wishes to provide rental car services at the Airport; and

WHEREAS, the City desires to lease a portion of the Terminal and Airport parking areas to Lessee for the purpose of providing rental car services to patrons of the Airport.

WITNESSETH:

In consideration of the Lessee’s promises herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor hereby gives Lessee a Lease Agreement, revocable and terminable as hereinafter provided, to enter on, make use of, and develop the real property of Lessor as follows:

1. PREMISES

Lessor allows Lessee to use, occupy, and develop, subject to the terms and conditions of this Lease Agreement, the following (collectively the "Premises."):

- a. 167 square feet of counter, office, and baggage handling spaces in the Terminal (collectively "**Terminal Space**") and identified as Office 107, as shown on **Exhibit A** of this Lease Agreement.
- b. **19 "Ready/Return"** parking spaces in Section "A" of the Short-term Parking Lot located immediately in front of the terminal building and as depicted in red on **Exhibit B** of this Lease Agreement. The Ready Return parking spaces are designated by the Airport Director and may be changed from time-to-time.
- c. **7 Long-Term** parking spaces in the Long Term Parking Lot as depicted in red on **Exhibit C** of this Lease Agreement. The Long Term parking spaces are designated by the Airport Director and may be changed from time-to-time. Lessee is authorized to wash vehicles in these spaces and to place one storage structure, not to exceed a footprint of 12'x12.'
- d. 27,353 square feet of fenced parking lot in the **Gate 16 Parking Lot** designated by the Airport Director and may be changed from time-to-time ("**Gate 16** Parking Lot"). The Gate 16 Parking Lot is shown in **Exhibit D** of this Lease Agreement.

The Parties acknowledge that as of the Effective Date of this Lease Agreement, the Airport is in the second phase of an expansion and renovation project; and that the Premises described in paragraphs "c" and "d" above are temporary solutions to Lessee's parking needs. As the expansion and renovation project progresses, the Airport Director may send a written reassignment to the same number of spaces in comparable locations in the long-term parking area(s) as necessary for construction and the efficient operation of the Airport and rental car operations.

Lessee accepts the Premises in its present state and agrees that they are in good condition, without any representation or warranty by Lessor as to the condition of the Premises. Notwithstanding the foregoing, Lessor shall deliver the Premises to Lessee vacant, without any occupancies or tenancies, and otherwise in a broom clean condition.

The installation, location and maintenance, at Lessee's sole cost and expense, of identifying signs in the Premises shall be subject to the prior written approval of the Airport Director, which approval shall not be unreasonably withheld, conditioned, or delayed. The general type and design of such signs shall be harmonious and in keeping with the pattern and decor of the Airport.

2. LEASE TERM

- a. Initial Term. The initial term of this Lease Agreement shall commence at 12:00 a.m. on the Effective Date. The term of this Lease Agreement shall consist of an "Initial Term" of five (5) years, with two (2) "Option Terms" of five (5) years each.
- b. Option Term. Lessee's exercise of any Option Term is contingent upon compliance with this Lease Agreement, there being no breaches then existing beyond any applicable cure period, and with proper written notice by Lessee to Lessor at least ninety (90) days prior to the expiration of the Initial Term. Approval or denial of any Option Term shall be at the sole discretion of the City Manager. All terms, covenants and conditions of this Lease Agreement,

excepting the amount of rent to be paid, shall remain in full force and effect during any extension of the term.

- c. Hold Over. In the event Lessee remains in possession of the Premises after the expiration of the Term of this Lease Agreement, such possession may, at the sole option of the Airport Director, be continued as a month-to-month tenancy. During any such month-to-month tenancy, the Rent due shall be prorated and payable on a monthly basis, and the terms and conditions of the Lease Agreement shall be otherwise applicable.

3. RENT AND FEES

- a. Base Rent. Lessee shall pay to Lessor first year Rent as follows:

- i. **Terminal Space** of \$334.00 per month, \$4,008.00 per year (167 sq.ft. x \$24.00/sf/year).
- ii. **19 Ready Return Spaces** of \$2,493.75 per month (19 spaces x \$131.25/month/space), \$29,925.00 per year.
- iii. **7 Long-Term Parking Lot** of \$420.00 per month (7 parking spaces x \$60.00/month/space), \$5,040.00 per year.
- iv. **Gate 16 Parking Lot** of \$911.77 per month, \$10,941.20 per year (27,353 sq.ft. x \$0.40/sf/year).

The Parties acknowledge that as of the Effective Date the Airport is in the second phase of an expansion and renovation project

Lessee shall pay for the first year **Base Monthly Rent** of **\$4,159.52**, which is due on the Effective Date and thereafter due in full on the first day of each month during the Term without notice or demand and without deduction or offset for any cause whatsoever. The total first year annual rent is \$49,914.20. Lessee shall make payments to; City of Santa Fe, Finance Department, Accounts Payable Division, 200 Lincoln Ave., Room 114, Santa Fe, NM, 87504. *Lessee to include the Item # listed on the top right of page 1 on all payments.

- b. Gross Receipts Fee. Lessee agrees to remit to Lessor a gross receipts fee of ten Percent (10%). "Gross Receipts" are defined as any charges for the time a vehicle is rented and mileage traveled during that time for rentals initiated at the Airport. Lessee shall collect from its customers the 10% fee paid to Lessor by adding it as a separate line-item charge on each rental titled "Concession Fee." Lessee shall submit a detailed statement to Lessor with each Gross Receipts Fee payment.

All records, accounts, books, receipts and data on business activities shall be subject to inspection and audit by Lessor or Lessor's contractor at the discretion of the Airport Director. If an audit reveals a discrepancy of more than 5% of the gross receipts reported and the gross receipts determined by an audit for any 12-month period, Lessee shall pay the gross receipts fee on the difference, plus a 15% penalty amount added to the payment. If an audit reveals a discrepancy, Lessee agrees to reimburse Lessor for the cost of the audit or audits.

- c. Penalty for Late Payment. If money payable to Lessor as a condition of this Lease Agreement is not paid in full on or before the 10th day of each month, the rental payment shall be considered late and a penalty of 10% of the amount due and unpaid shall be added to the amount due, and the total sum of the then-due rental payment plus penalty shall become immediately due and payable to Lessor. A further penalty of 10% of the amount due and

unpaid, including previously assessed penalties, shall be added for each additional month that said amount remains unpaid. The assessment and collection of the 10% penalty is in addition to any other rights of Lessor, if Lessee does not faithfully perform the terms, covenants and conditions of this Lease Agreement.

- d. Rent Schedule. In consideration of this Lease Agreement, City and Lessee agree to the Rent Schedule attached as **Exhibit E**.
- e. Increase in Rent. Rent shall be increased annually, effective on the first anniversary of the Rent Commencement Date and annually thereafter. Annual increases in Rent shall be based on the attached Rent Schedule.

4. USE OF PREMISES

- a. Use. Lessee shall use the Premises solely for the purpose of operating rental car services to patrons of the Airport; including and not limited to:
 - i. Lessee may operate the Premises under one or more brands during the term of this Lease Agreement.
 - ii. Storage only of Vehicles in the Ready Return Spaces and cleaning, maintenance and storage of vehicles in the Gate 16 Parking Lot. Storage of vehicles includes, without limitation, overnight parking.
 - iii. Lessee may operate a shuttle to deliver customers to and from the Terminal Space, the Ready/Return parking spaces and/or Gate 16 Parking Lot.
- b. Guarantee of Service. Lessee shall provide the following:
 - i. Open to serve the public a minimum of 30 minutes before the first scheduled airline arrival and ending no sooner than 30 minutes after the last airline arrival, 7-days per week, 365-days per year. Exceptions may be approved in advance by the Airport Director, in his or her sole discretion.
 - ii. Service for all commercial airline flight passenger arrivals and departures that occur outside of normal daily operating hours.
 - iii. At least one employee on duty during all operating hours.
- c. Improvement of the Premises. Lessee may, with the prior written consent of the Airport Director, whose consent shall not be unreasonably withheld, conditioned or delayed, and at no cost to Lessor, make improvements to the Premises which are required to comply with the City of Santa Fe Land Use Code, which includes the Historic District Development Rules, and other applicable local, state and federal regulations. Lessee shall, upon the Airport Director's request, remove all such improvements made to the Premises at the termination of this Lease Agreement.
- d. Trade Fixtures. All trade fixtures installed by Lessee after the Effective Date of this Lease Agreement shall remain the property of Lessee, who may remove the same upon termination of this Lease Agreement, provided that removal shall be done in such a manner as not to injure or damage the Premises. In the event that Lessee fails to remove said trade fixtures after receipt of notice from the Airport Director to do so, Lessee agrees that the fixtures and any personal property at the Premises shall be considered abandoned property, and Lessor may remove and dispose of the same as it sees fit. Lessee further agrees that should Lessor remove said trade

fixtures and personal property pursuant to this paragraph, that Lessee shall pay Lessor upon demand the cost of such removal, plus the cost of transportation and disposal thereof.

- e. Compliance with Laws. Lessee's use of the Premises shall at all times be in compliance with the City of Santa Fe Municipal Code and other applicable local, state and federal regulations including but not limited to compliance with the City of Santa Fe Integrated Pest Management Policy (§ 10-7 SFCC 1987) (the Pest Management Policy).

5. REPAIRS & MAINTENANCE

- a. During the Term of this Lease Agreement and any extension or renewal thereof, Lessee shall not cause or permit any waste, damage or injury to the Premises or to any improvements made to the Premises.
- b. During the Term of this Lease and any extension or renewal thereof, Lessee shall, at its sole expense, keep and maintain the Premises in good and clean condition at all times and shall be responsible for the costs of any and all required repairs, replacements, and capital improvements to the Premises that arise during the Term of this Lease Agreement.
- c. Repairs and replacements required to be made by the Lessee to the Premises shall be made promptly as and when necessary and shall be at least equal in quality of materials and workmanship to that originally existing in the Premises.
- d. Lessee shall at all times during the term of this Lease Agreement and any extension or renewal thereof, and in a timely manner, provide a safe Premises by eliminating conditions caused by, including and not limited to:
 - i. Terminal Space. Debris, mold and standing water.
 - ii. Ready Return Parking Spaces. Debris.
 - iii. Gate 16 Parking Lot. Snow, ice, debris, and standing water.
- e. Lessor reserves the right for the Airport Director or their designee to inspect the Premises at any time during the Term of this Lease Agreement to verify Lessee's compliance with this Section 5. In the event Lessee fails to maintain the Premises at a standard acceptable to the Airport Director, as determined in the Airport Director's sole but commercially reasonable discretion, Lessor may terminate this Lease Agreement in accordance with Section 13 herein.
- f. Repair and maintenance shall be to the sole satisfaction of the Airport Director, and if Lessee fails to fulfill any duty imposed under this Section 5 within a reasonable period of time, City may, at the discretion of the Airport Director, perform those duties at Lessee's sole cost. Lessee shall promptly cooperate with Lessor if Lessor undertakes to perform such duties. No action by Lessor taken pursuant to this Section 5 shall constitute a waiver of Lessee's obligations. Lessee's obligations under this Section 5 shall survive the expiration or termination of this Lease Agreement.

6. UTILITIES & SERVICES

- a. Lessee, at Lessee's sole cost and expense, agrees to provide the following:
 - i. Janitorial supplies and services.
 - ii. Phone, internet and related services.
- b. Lessor, at Lessor's sole cost and expense, agrees to provide the following:
 - i. All gas, electricity, water, sanitary sewer service and refuse disposal services.

- ii. Pest control services.
- iii. Snow removal services.

7. TAXES

Lessee shall pay all taxes levied and assessed, if any, upon any personal property, fixtures and improvements belonging to Lessee and located upon the demised Premises, and all leasehold and possessory interest taxes levied or assessed by any proper taxing authority.

8. SUBLEASE, ASSIGNMENT OR TRANSFER

Lessee shall not sublet, assign or otherwise transfer this Lease Agreement, without the prior written consent of the Airport Director, which the Airport Director may withhold for any or no reason. Any such actions taken by Lessee without Lessor's consent shall result in the immediate termination of this Lease Agreement.

9. INSURANCE

Lessee shall at all times maintain and provide adequate insurance coverage which includes, without limitation, each of the following:

- a. Property Insurance. Lessee shall carry and maintain in full force and effect during the term of this Lease Agreement casualty insurance ("extended coverage" and "additional extended coverage") as may be available for all improvements to the Premises in an amount sufficient to restore and replace existing structures and improvements if lost or damaged by any form of casualty. Lessee shall cause the City of Santa Fe to be named as an additional insured on such policy of insurance.
- b. Commercial General Liability Insurance which shall be written on an occurrence basis and be at least as broad as the latest version of ISO form CG 00 01 with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate for claims against bodily injury, personal and advertising injury, and property damage. Such policy shall include Broad Form Contractual Liability coverage and shall be endorsed to include the City, its, directors, officials, officers, employees, agents, and volunteers as additional insureds on all primary and excess policies for ongoing and completed operations performed by, or behalf of Contractor. Such additional insured coverage shall be as broad as that provided by ISO form CG 2010 (ongoing operations) and CG 20 37 (completed operations).
- c. Workers' Compensation Insurance with statutory limits, and **Employer's Liability insurance** with limits of not less than \$1,000,000 per accident or disease. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City, its directors, officials, officers, employees, agents, and volunteers.
- d. Certificates of Insurance. Prior to the Effective Date of this Lease Agreement, and thereafter at any time during the Term of this Lease Agreement that the Airport Director requests, Lessee shall provide Lessor with certificates of insurance for each policy evidencing that the coverage required hereunder is current. Such policy shall provide that the coverage evidenced thereby shall not be terminated or modified for any reason without thirty (30) days prior written notice to the Lessor. A certificate or policy which states that failure to give such notice imposes no

obligation on the part of the insurer shall be unacceptable to Lessor, and Lessee shall be responsible for removing such language from such certificate or policy.

10. INDEMNIFICATION

Lessee shall indemnify, hold harmless and defend Lessor from all losses, damages, claims or judgments, including payment of all attorney's fees and costs, on account of any suit, judgment, execution, claim, action or demand whatsoever arising from damages occurring on the Premises and Lessee's use of the Premises hereunder during the Term of this Lease Agreement, including use of the Premises by Lessee's employees, agents, representatives, contractors, agents, guests, invitees or permitted assigns. Lessor's counsel at the City Attorney's Office may demand defense from Lessee, and shall select counsel and direct litigation of Lessor's case.

Lessee shall cause any and all agreements that Lessee enters into with any of the above parties to contain language indemnifying Lessor as provided in this Section.

11. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by Lessor in connection with the Lease Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense, and do not waive any limitation of liability pursuant to law. No provision of this License modifies or waives any provision of the New Mexico Tort Claims Act.

12. EASEMENTS

Lessor reserves the exclusive right to grant access, utility or other easements on or through the Premises. Lessor shall notify Lessee in writing prior to Lessor's grant of any easement through the Premises.

13. TERMINATION

- a. Lessor may terminate this Lease Agreement upon Lessee's failure to comply with any provisions contained herein. Prior to termination, Lessor shall hand deliver or mail notice to Lessee via certified or registered mail specifying:
 - i. the breach;
 - ii. the action required to cure the breach;
 - iii. a date, not less than fifteen (15) days from the date the notice is hand delivered or mailed to Lessee, by which such breach must be cured; and
 - iv. that failure to cure such breach on or before the date specified in the notice will result in termination of the Lease Agreement.
- b. Either Party may terminate this Lease Agreement with written notice to the other Party at least ninety (90) days prior to the requested termination date.
- c. At the termination of this Lease Agreement Lessee shall surrender the Premises in the condition in which they were at the inception of this Lease Agreement, excepting:
 - i. Deterioration caused through reasonable use and ordinary wear and tear;
 - ii. Alterations, improvements or conditions made with the Airport Director's written approval.

14. RIGHTS OF LESSOR

- a. Operate the Airport in the best interest of the public and the right, without interference or hindrance, to maintain, improve, or further develop the landing area or public use facilities of the Airport as it sees fit, regardless of any protest of the Lessee, and to lease additional space to other concessions at the Airport regardless of any objection of the Lessee. The Airport Director may relocate the Lessee if the physical development of the Airport or the Airport Terminal requires relocation of the Lessee, provided the the Airport Director gives sixty (60) days' written notice to the Lessee and the Lessor compensates the Lessee for the Premises in one of the two following methods, at the Lessor's expense:
 - i. If the Airport Director determines it has another location available at the Airport or in the Terminal which is generally comparable in location to that being taken for development, then the Lessee shall relocate the Lessee-owned facilities to the new location in substantially similar form to that then existing. The Lessor shall reimburse Lessee within sixty (60) days for Lessee's actual expenses of relocation of its facilities, subject to Lessor's prior approval of the reasonableness of such expenses; or
 - ii. If the Airport Director determines that Lessee cannot be relocated as described above, then Lessor shall purchase from Lessee the Lessee-owned facilities to which title shall then pass in fee simple to Lessor. The amount to be paid by Lessor to Lessee shall be the fair market value of the improvements taken.
- b. Enter upon the Premises at any reasonable time for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this Lease and any federal, state, or city laws, ordinances, regulations, rules, and codes now or hereafter in effect.
- c. The Airport Director, Airport Security Coordinator, and Airport security guards may have towed or booted at Lessee's expense any vehicle owned or rented by Lessee that is not parked in the Ready/Return, Parking Lot, or other area approved in writing by the Airport Director.

15. RIGHTS OF LESSEE

- a. Lessee shall have the right, but shall not be required:
 - i. To the non-exclusive use, in common with others, of the Airport, appurtenances, and improvements thereon, but this shall not restrict the right of the Lessor to charge visitors a fee for the use of such areas;
 - ii. To install, operate, maintain, repair and store, subject to approval of Lessor in the interests of safety and the convenience of all concerned, all equipment necessary for the conduct of Lessee's business; and
 - iii. Of access to and from the Premises, limited to streets, driveways, and sidewalks designated for such purposes by the Lessor, and which right shall extend to Lessee's employees, passengers, guests, and patrons.
- b. Lessee is authorized, but not required, to provide the services set forth above in Section 4 (Use of Premises).

16. NOTICE

Any required notice will be deemed delivered, given and received (i) when personally hand delivered, or (ii) five days after the same are deposited in the United States mail, postage prepaid, registered, addressed to the applicable party at the address indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

To Lessor:	City of Santa Fe Attn. City Manager P.O. Box 909 Santa Fe, NM 87504	To Lessee:	Avis Budget Car Rental, LLC Attn. Properties Department 379 Interpace Parkway Parsippany, NJ 07054
With a copy to:	City of Santa Fe Attn. Airport Director P.O. Box 909 Santa Fe, NM 87504		Avis Budget Car Rental, LLC Director - Properties 513 Eccles Avenue South San Francisco, CA 94080

City of Santa Fe
Attn. Asset Development Manager
P.O. Box 909
Santa Fe, New Mexico 87504

17. NO WAIVER

No waiver of a breach of any of the provisions contained in this Lease Agreement shall be construed to be a waiver of any succeeding breach of the same or any other provisions.

18. SEVERABILITY

In the event that one or more of the provisions contained in this Lease Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

19. ENTIRE AGREEMENT

The foregoing constitutes the entire Lease Agreement between the Parties, represents their entire understanding, and defines all of their respective rights, title, and interests as well as all of their duties, responsibilities and obligations. Any and all prior lease agreements and understandings between the Parties related to the Premises, if any, are merged herein. This Lease Agreement shall not be modified or amended except by a written document signed by the Parties.

20. BINDING EFFECT

This Lease Agreement shall be binding upon and insure to the benefit of the Parties hereto and their respective successors and permitted assigns.

21. LITIGATION EXPENSE

In the event of litigation between the Parties, Lessee shall pay any necessary costs, including reasonable attorney's fees, expenses and other costs of collection or otherwise, which Lessor shall incur in enforcing this Lease Agreement or in recovering any and all damages caused to the Premises by Lessee, or Lessee's contractors, agents, employees or permitted assigns. In any case arising out of this Lease or Contractor's possession of the Premises, Lessor's counsel at the City Attorney's Office shall have sole discretion to select counsel.

22. HEADINGS

The section headings contained in this Lease Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Lease Agreement.

23. APPLICABLE LAW; VENUE

In any action, suit or legal dispute arising from this Lease Agreement, Lessee agrees that the laws of the State of New Mexico shall govern. The Parties agree that any action or suit arising from this Lease Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

24. AMENDMENT

This Lease Agreement shall not be altered, changed or modified except by an amendment in writing executed by the Parties hereto.

25. SECURITY DEPOSIT

Lessee shall deposit with City, upon execution hereof, the Security Deposit of one month's rent as security for Lessee's faithful performance of its obligations under this Lease Agreement. If Lessee fails to pay Rent, or otherwise defaults under this Lease Agreement, City may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due City or to reimburse or compensate City for any liability, expense, loss or damage which City may suffer or incur by reason thereof. If City uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with City sufficient to restore said Security Deposit to the full amount required by this Lease Agreement. If the Base Rent increases during the term of this Lease Agreement, Lessee shall, upon written request from the City's Airport Director or Administrative Manager, deposit additional monies with City so that the total amount of the Security Deposit shall always bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, the City's Airport Director shall have the right to increase the Security Deposit to the extent necessary, in the Airport Director's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease Agreement and following such change the financial condition of Lessee is, in the Airport Director's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with City as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial

condition. City shall not be required to keep the Security Deposit separate from its general accounts. Within 30 days after the expiration or termination of this Lease Agreement, if City elects to apply the Security Deposit only to unpaid Rent, and otherwise within 60 days after the Premises have been vacated, City shall return that portion of the Security Deposit not used or applied by City. No part of the Security Deposit shall be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease Agreement.

26. CONSTRUCTION OF IMPROVEMENTS

- a. Construction Assurance. Prior to the commencement of any construction or work of improvement on the Premises (“Improvements”), Lessee shall furnish to Lessor evidence that sufficient monies will be available to complete the Improvements. Such evidence shall represent at least the total estimated cost of construction and such evidence may take on of the following forms:
 - i. Performance Bond - To be supplied by Lessee’s contractor(s) and issued jointly to Lessee and Lessor as Obligee; or
 - ii. Irrevocable Letter of Credit – or other form of banker’s assurance issued to Lessor from a financial institution licensed to do business in the State of New Mexico and covered by Federal Depository Insurance which shall remain in effect until the Airport Director acknowledges satisfactory completion of construction of Improvements.
- b. Turnover or Removal of Improvements.
 - i. Turnover of Improvements – If the Airport Director directs that the Improvements be turned over to Lessor at the expiration of this Lease Agreement, they shall be turned over in a state of good condition and repair.
 - ii. Removal of Improvements – If the Airport Director directs that the Improvements be removed, all or in part, prior to the expiration or termination of this Lease Agreement, Lessee shall remove all Improvements from the Premises, at Lessee’s sole cost. Lessee shall restore the portions of the Premises from which it removes any Improvements, as nearly as reasonably possible, to a level graded condition at Lessee’s sole cost. If Lessee has not removed the Improvements in a reasonable amount of time after the expiration or termination of this Lease Agreement, then Lessor may, at its option, declare the Improvements to be Lessor-owned real property, use or dispose of the remaining personal property pursuant to applicable law, and otherwise restore the Premises at Lessee’s sole cost.
 - iii. Removal of Hazardous Materials – All hazardous materials on the Premises used or stored by Lessee must be removed prior to the expiration or termination of this Lease Agreement, whether or not the Improvements remain on the Premises.

27. OBSERVATION OF LAWS, RULES, REGULATIONS, AND FAA GRANT ASSURANCES

Lessee and Lessor agree to observe and obey during the Term of this Lease, all laws, ordinances, minimum standards, rules and regulations reasonably promulgated and enforced by Lessor, and by any other proper authority having jurisdiction over the conduct of operations at the Airport, including the federal government, the state, the county and the City now or hereafter in effect.

28. FAIR AND NONDISCRIMINATORY SERVICES

Lessee, in the conduct of its authorized business activities, shall furnish good, prompt, and efficient service in compliance with all applicable laws, rules, and regulations adequate to meet the demand for its services at the Airport, and shall furnish such service on a fair, equal, and not unjustly discriminatory basis to all users thereof, and agrees to furnish such services at fair, equal, and not unjustly discriminatory prices for each unit of sale or service; provided, however, that Lessee shall be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchases. Lessee agrees to operate the business in an ethical and professional manner and shall keep the Premises in a safe, clean, orderly, and inviting condition at all times, satisfactory to the Airport Director. Lessee shall not permit its employees or agents to solicit customers on public property.

29. CIVIL RIGHTS ASSURANCES

- a. Lessee agrees for itself, its employees, and its contractors and subcontractors that:
 - i. No person shall be excluded from participation in, benefits of, or otherwise subjected to discrimination in the use of the Airport on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, national origin, or citizenship status;
 - ii. In the construction of any improvements on, over, or under the Airport and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination on the grounds of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, national origin, or citizenship status; and
 - iii. Lessee shall comply with all requirements imposed by or pursuant to Title 49, code of Federal Regulations, Subtitle A, Part 21 in using Airport premises or providing services initiated at the Airport.
 - iv. Lessee assures that it will undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to ensure that no person shall be excluded from employment activities or any covered service or benefit on a prohibited basis by Lessee, an employee of Lessee, or any contractor or subcontractor.

30. ENVIRONMENTAL PROTECTIONS

- a. Lessee shall not commit or permit commission of any waste on the Airport, or any nuisance or other act or thing that may disturb the quiet enjoyment of the Airport or surrounding property. Lessee shall provide, as necessary, a separate drainage, collection, and/or separation system to ensure that no untreated liquid waste from any type of operation, including vehicle cleaning, fueling, and oil change operations, will enter the Airport storm drainage or sanitary system.

- b. Lessee shall, at all times, comply with all applicable laws, rules, and regulations of the federal, state, and local government entities. Lessee shall not permit any activity which directly or indirectly produces objectionable or unlawful amounts or levels of air pollution, noise, glare, heat emission, electronic or radio interference with navigational and communications facilities for the operation of the Airport and for Airport use by aircraft, trash, or refuse accumulation, vibration, prop-wash, or jet blast, or which is hazardous or dangerous by reason of risk of explosion, fire, or harmful emission. Any waste oil storage tanks shall be in approved containers and in accordance with all environmental and fire protections regulations.
- c. Hazardous substances are any substance, material, or waste, (including any petroleum products, solvents, thinners, herbicides and soil sterilants, and aircraft deicing fluids) which is or becomes designated, classified, or regulated as being "toxic," "hazardous," a "pollutant," or similar designation under any federal, state, or local law, regulation, or ordinance.
- d. Pursuant to Section 10 (Indemnification) above, Lessee agrees to defend, indemnify, and hold Lessor harmless from and against all liabilities, claims, actions, foreseeable and unforeseeable consequential damages, costs, and expenses (including sums paid in settlement of claims and all consultant, expert, and legal fees and expenses of Lessor's counsel) or loss directly or indirectly arising out of or resulting from the presence of any hazardous substance as a result of Lessee's or any of Lessee's contractors or sub-tenant's activities, whether before, during, or after construction, in or around any part of the property or the soil, groundwater or soil vapor on or under the property, including those incurred in connections with any investigation of site conditions or any cleanup, remedial, removal, or restoration work, or any resulting damages or injuries to the person or property or which is brought against Lessor, whether alone or together with Lessee or any other person.
- e. Lessee shall comply and cause all occupants of the property to comply with all laws, regulations, and ordinances governing or applicable to hazardous substances as well as the recommendations of any qualified environmental engineer or other expert which apply or pertain to the premises. Lessee acknowledges that hazardous substances may permanently and materially impair the value and use of real property. Lessee shall promptly notify Lessor if it knows, suspects, or believes there may be any hazardous substance in or around the property or in the soil, groundwater, or on or under the Airport, or that Lessee or the property may be subject to any threatened or pending investigation by any governmental agency under any law, regulation, or ordinance pertaining to any hazardous substance.

31. NONEXCLUSIVE RIGHTS

- a. Lessee shall have the exclusive right and privilege of engaging in and conducting a business on the Premises of the Airport under the terms and conditions set forth herein, provided, however, that this Lease Agreement shall not be construed in any manner to grant Lessee or those claiming under Lessee in this Lease Agreement the exclusive right to the use of the common areas and facilities of the Airport.
- b. Lessor shall have the right to lease other portions of the Airport or Airport Terminal to lessees, including other ground, air, and transportation services. Lessor shall not in the future form any other Agreement more favorable or less restrictive to Lessee's than set forth in this Lease Agreement. Lessor understands and agrees that nothing in this Lease Agreement shall be

construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958, as amended.

32. SUBORDINATE PROVISIONS

This Lease Agreement is subject and subordinate to the terms, reservations, restrictions, provisions, and conditions of any existing or future agreement between the Airport and its appurtenant facilities, the execution of which have been or may be required as a condition precedent to the participation by any federal or state agency in the extension, expansion, or development of said airport or its facilities.

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of this _____ day of _____, 20__.

LESSOR: CITY OF SANTA FE

LESSEE: AVIS BUDGET CAR RENTAL, LLC

MICHAEL J. GARCIA, MAYOR



JEFFREY LUNA, VICE PRESIDENT

DATE: _____

DATE: Feb 5, 2026

ATTEST:

GERALYN F. CARDENAS, INTERIM CITY CLERK

APPROVED AS TO FORM FOR LEGAL SUFFICIENCY:

Kevin L. Nault
Kevin L. Nault (Feb 5, 2026 16:44:54 MST)

KEVIN L. NAULT, ASSISTANT CITY ATTORNEY

APPROVED AS TO FINANCE:

ANDREA K. PHILLIPS, INTERIM FINANCE DIRECTOR
Business Unit/Line Item 5456050.460150

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Exhibit A – Premises, Terminal Space Office 107

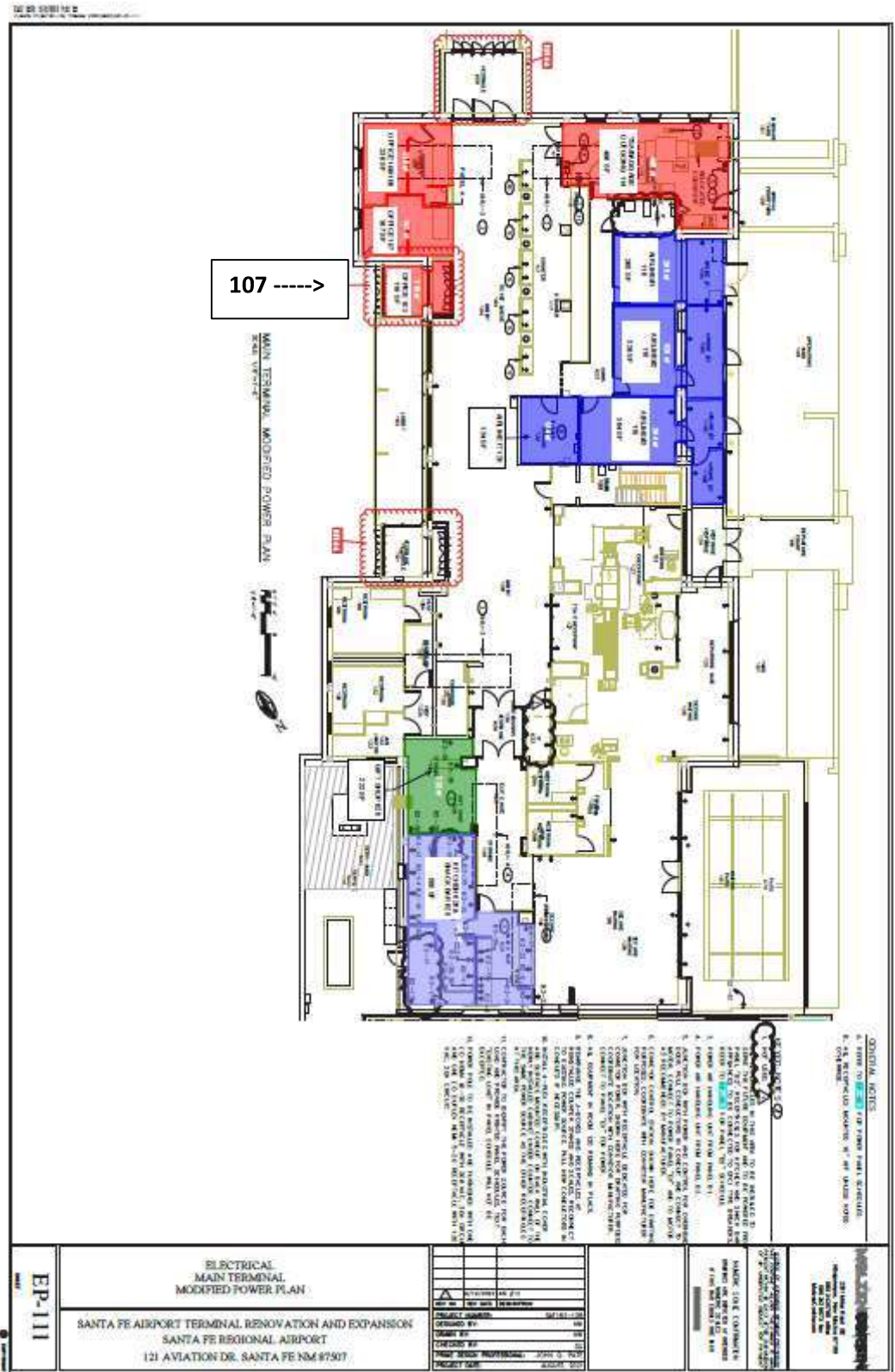


Exhibit B – Premises, 19 Ready Return Spaces Shaded in Red

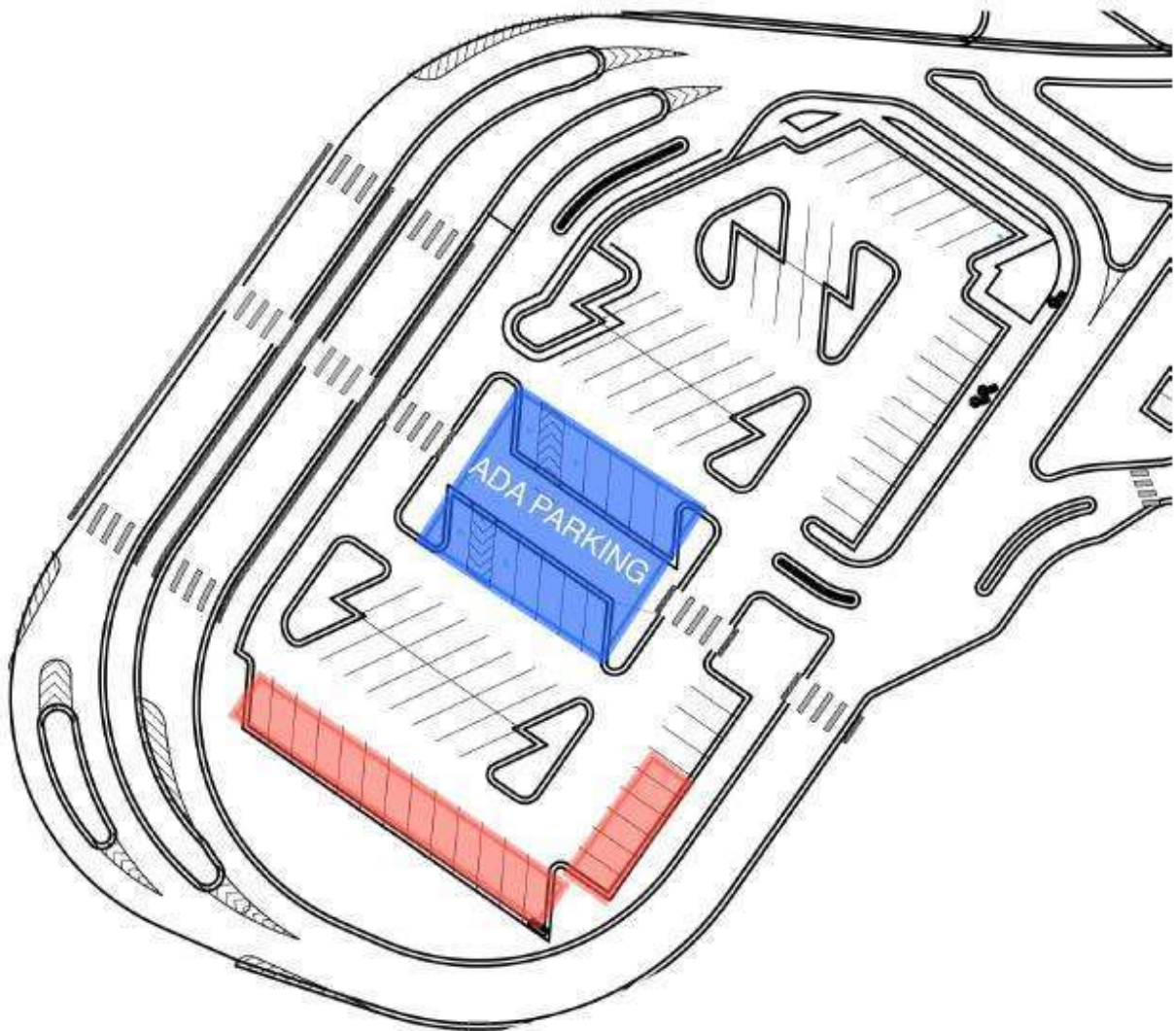


Exhibit C – Premises, 7-Long-Term Parking Spaces Shaded in Red

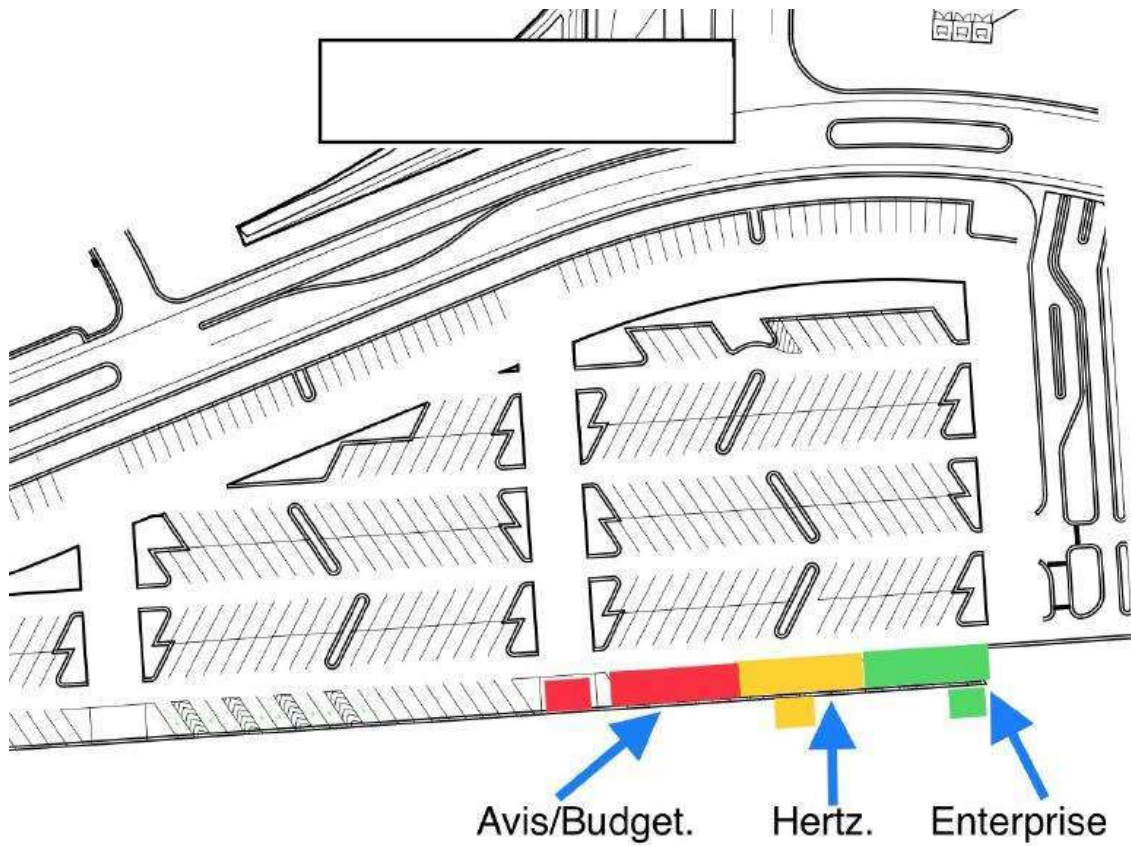


Exhibit D – Premises, Gate 16 Parking Lot

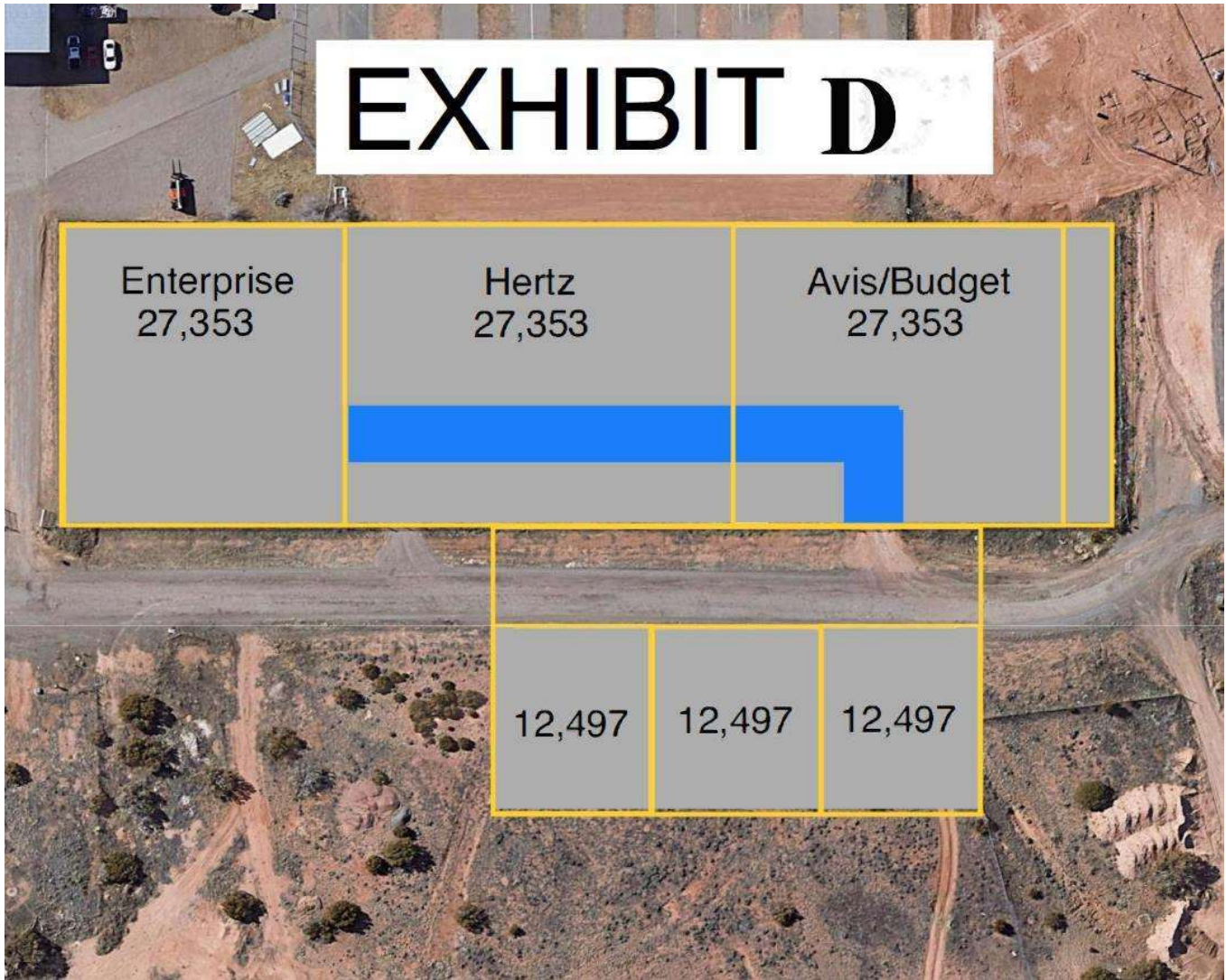


Exhibit E – Rent Schedule

Option Years	Year	Term Dates		Total Annual Rent	Escalation	Monthly Rent
	1	3/1/2026	2/28/2027	\$49,914.20		\$4,159.52
	2	3/1/2027	2/28/2028	\$51,162.06	2.50%	\$4,263.50
	3	3/1/2028	2/28/2029	\$52,441.11	2.50%	\$4,370.09
	4	3/1/2029	2/28/2030	\$53,752.13	2.50%	\$4,479.34
	5	3/1/2030	2/28/2031	\$55,095.94	2.50%	\$4,591.33
*	6	3/1/2031	2/28/2032	\$56,473.34	2.50%	\$4,706.11
*	7	3/1/2032	2/28/2033	\$57,885.17	2.50%	\$4,823.76
*	8	3/1/2033	2/28/2034	\$59,332.30	2.50%	\$4,944.36
*	9	3/1/2034	2/28/2035	\$60,815.61	2.50%	\$5,067.97
*	10	3/1/2035	2/28/2036	\$62,336.00	2.50%	\$5,194.67
*	11	3/1/2036	2/28/2037	\$63,894.40	2.50%	\$5,324.53
*	12	3/1/2037	2/28/2038	\$65,491.76	2.50%	\$5,457.65
*	13	3/1/2038	2/28/2039	\$67,129.05	2.50%	\$5,594.09
*	14	3/1/2039	2/28/2040	\$68,807.28	2.50%	\$5,733.94
*	15	3/1/2040	2/28/2041	\$70,527.46	2.50%	\$5,877.00

* Option Terms



ADDITIONAL REMARKS SCHEDULE

AGENCY Aon Risk Services, Inc of Florida		NAMED INSURED Avis Budget Group, Inc.; Avis Budget	
POLICY NUMBER See Certificate Number: 570113525314			
CARRIER See Certificate Number: 570113525314	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 **FORM TITLE:** Certificate of Liability Insurance

THIS CERTIFICATE OF INSURANCE (COI) RELATES TO A POLICY (POLICIES) ISSUED TO THE INCLUDED INSURED AND IS INTENDED TO DEMONSTRATE COVERAGE AS PROVIDED SOLELY TO THE INCLUDED INSURED AND IS FOR INFORMATIONAL PURPOSES ONLY. THE CERTIFICATE HOLDER LISTED ON THIS COI MAY BE INCLUDED AS AN ADDITIONAL INSURED UNDER SUCH POLICY (POLICIES) ONLY TO THE LIMIT THAT SUCH CERTIFICATE HOLDER'S INTEREST APPEARS ONLY IF SUCH INCLUSION IS REQUIRED IN WRITING SPECIFICALLY AND EXPRESSLY STATING THAT SUCH CERTIFICATE HOLDER BE INCLUDED AS AN ADDITIONAL INSURED UNDER SUCH POLICY (POLICIES). UMBRELLA COVERAGE MAY BE SUBJECT TO DEDUCTIBLE AND/OR SELF INSURANCE.

Insured: Avis Budget Group, Inc.; Avis Budget Car Rental, LLC, its subsidiaries, Avis Rent A Car System, LLC, Budget Rent A Car System, Inc, Budget Truck Rental, LLC, Payless Car Rental, Inc. 379 Interpace Parkway, Parsippany, NJ 07054 USA



City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909
www.santafenm.gov

Alan Webber, Mayor

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1
Alma G. Castro, District 1
Michael J. Garcia, District 2
Carol Romero-Wirth, District 2
Lee Garcia, District 3
Pilar F.H. Faulkner, District 3
Jamie Cassutt, District 4
Amanda Chavez, District 4

Dear City Staff,

In accordance with State Statute and City Ordinances, this document serves as a blanket services' determination and is valid until June 30, 2026, for the types of general, professional, and construction services that are clearly one of the types pre-established and approved by the State Purchasing Agent and City CPO.

Please continue to obtain determinations for services that do not clearly and fully fit within the types listed below. For mixed or hybrid services, unclear scopes of work, and design-build projects, specific determinations will be required. In these cases, please email purchasing_det@santafenm.gov to obtain the necessary CPO determinations for your procurement needs.

Should you have any questions or require clarification on a particular service, feel free to contact CPD.

The following are General Services:

- Air/bus, vehicle charter/rental service
- Animal/k9 boarding - basic
- Auctioneers
- Audio-visual equipment setup and routine maintenance for events and presentations (including projectors, microphones, and speakers)
- Automotive mechanical services – all - including vehicle inspection, diagnostics, repair labor, parts replacement, and routine maintenance (e.g., oil changes, brake service, tune-ups, etc.)
- Banking Services (routine, transaction-based)
- Boiler testing/water treatment service
- Bookkeeping service (routine, transaction-based)
- Biohazard clean-up and disinfection services for crime scenes, homicides, suicides, unattended deaths, car accidents, deadly car crashes and cleanup of police units, along with any other biohazard situations. Building alarm systems, service and repair
- Check collection service
- Clothing, textile fabrication repair service

General Services (continued):

- Commercial laundry service, dry cleaning, etc.
- Communications systems installation, servicing, and repair
- Conference and trade show coordination
- Debt collection service
- Delivery/courier service
- Document storage, duplication, retrieval, review, and destruction service
- Drug testing and screening (standard tests)
- Engraving service
- Equipment installation, preventive maintenance, inspection, calibration, and repair
- Equipment rental services
- Exams administration and scoring service
- Executive recruitment
- Firefighting/suppression service
- Food preparation, vending, and catering services
- Health screening, basic diagnostic (wellness, blood pressure monitoring, blood draw, etc.)
- Herbicide application service
- Household goods packing, storage, transportation service
- HVAC system maintenance service - Includes filter changes, inspections, cleaning, minor repairs, and system diagnostics.
- Information Technology - Hosting only
- Information Technology Help Desk Services
- Information Technology Services requiring software or equipment
- Information Technology Software and Hardware Support Services
- Interpretive services: written/oral/sign language
- Inventory service
- Janitorial service, carpet cleaning, window washing
- Laboratory testing and analysis (standard tests only)
- Land clearing/debris removal service
- Landscaping—tree planting, grooming service, lawn mowing, etc. (but not landscape architects)
- Language translation service
- Linen rental service

General Services (continued):

- Marine equipment inspection, certification, and repair
- Medical equipment rental or repair service (wheelchairs, walkers, etc.), including measurements, adjustments, and modifications to meet patient needs
- Metal/pipe/wiring detection service
- Office furnishings installation, refurbishment, and repair service
- Package inspection and crating
- Painting service
- Paper shredding
- Parking lot sweeping/snow removal service
- Pest/weed control service
- Photographic/micrographic processing and delivery, includes aerial and ground photography (if analysis is included, then personal service)
- Printing/duplicating service
- Process serving
- Property management (rent collection, property maintenance, etc.)
- Recycling/disposal/litter pickup service
- Retreat and workshop planning, conduct, coordination, etc.
- Security/armored car services
- Shop welding/metal fabrication service
- Software as a Service
- Steam cleaning, high pressure washing, parts cleaning service
- Studio photography service (does not include portrait painting)
- Telephone interview service (conduct of survey using prescribed survey instrument)
- Towing service
- Traffic control services – including certified flaggers, barricade setup/removal, temporary signage, and traffic control plans (not involving permanent installations or design engineering)
- Training – when offered as a regular course by an institution (such as a college or university)
- Travel service — air, surface, water
- Videotaping and recording service
- Warehouse dry/cold storage rental service
- Weather information service

The following are Professional Services:

- Accountants (certified public accountants and registered public accountants)
- Actuaries
- Analysts of processes, programs, fiscal impact, and compliance
- Appraisers
- Archeologists
- Architects
- Artwork, original (services creating the artwork)
- Audio/video media productions (design, development, and/or oversight of)
- Auditors
- Broadband
- Business process re-engineering
- Counselors
- Consultants (including IT Consultants)
- Curriculum/Examination development
- Data Backup Services
- Data Storage and Management Services
- Design
- Economists
- Engineers
- Environmental monitoring: noise level, safety, hazardous gas detection, radiation monitoring service, etc.
- Financial Advisors
- Grant writing
- Graphic designers (creative or original in nature)
- Hearing officer services
- Independent Verification and Validation
- Information Technology Hosting when it includes Maintenance and Support
- Information Technology Maintenance
- Information Technology Management
- Information Technology Programming
- Information Technology Risk Assessment

Professional Services (Continued):

- Insurance Adjusters/Brokers
- Investigators (personnel-related, etc.)
- Investment advisors and management
- Labor negotiators
- Landscape Architects
- Lawyers
- Lobbyists
- Managed Network Services
- Management and system analysts
- Management consultants
- Marketing consultants (including identifying market opportunities, conduct of marketing programs, planning, promotion, market research surveys, etc.)
- Medical arts practitioners
- Medical – doctors, immunizations, etc.
- Mental health support – Therapists, Counselors, etc.
- Network Cybersecurity Services
- Network Installation
- Physicals
- Planners
- Policy Advisors
- Polygraph services
- Product Development Services
- Program/Project Managers
- Psychologists
- Public relations advisors/Publicists
- Publication development (creation of audio/video productions, brochures, pamphlets, maps, signs, posters, annual reports, etc.)
- Researchers
- Scientists (Bio/Chem/Env/Geo/Hydro/Mech, etc.)
- Social and Human Services - Includes case management, outreach, crisis intervention, supportive housing assistance, and other services intended to support vulnerable or at-risk populations. Services may be delivered by licensed or trained professionals in coordination with public or nonprofit systems.

Professional Services (Continued):

- Speech writers
- Statisticians
- Surveyors
- Trade developers
- Training – when it is specifically designed for an agency as opposed to established courses (such as out of the box training offered to all at a training company, university, or college)
- Veterinarian services
- Web design and development

The following are Construction Services:

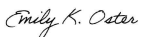
- Bid-Build (Standard)
- Construction Managers
- New Construction (including buildings, roads, bridges, utilities)
- Remodeling and Renovations (interior and exterior work)
- Demolition (including site clearance)
- Excavation and Earthwork
- Electrical Work (installation, repair, upgrades)
- Permanent installation or upgrades of audio-visual systems (including wiring and structural modifications)
- Plumbing (installation, repair, maintenance)
- Masonry and Concrete Work
- Roofing (installation, repair, maintenance)
- Structural Repair and Reinforcement
- Stucco installation, repair, and finishing
- Painting and Finishing (for construction purposes)
- Mechanical Work (HVAC systems, etc.)
- Site Preparation and Land Grading
- Utility Installation and Repair (water, sewer, gas lines)

Travis Dutton-Leyda, Chief Procurement Officer



Date: 06/30/2025

Emily Oster, Finance Director



Date: 06/30/2025

Signature: Terry Lease
Terry Lease (Feb 16, 2026 07:34:45 MST)
Email: tjlease@santafenm.gov

Signature: Jimmy Gunn
Jimmy Gunn (Feb 16, 2026 10:57:30 MST)
Email: jdgunn@santafenm.gov

Signature: BRIAN MOYA
Email: bjmoya@santafenm.gov